Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
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Commissioners
Arthur D. Gasbarro, Chairman
Andrea N. Planzer, Vice Chair
Anthony G. Bouscaren
Philip Marks III
Michael Leavitt

AVIATION FUEL SUBCOMMITTEE MEETING
February 10, 2026

The meeting was called to order at 10:00 AM by Commissioner Phil Marks with the following Commissioners present: Michael Leavitt.

This meeting was conducted in person at 14 Airport Road, Nantucket, MA.

Airport employees present were: Warren Smith, Airport Manager; Preston Harimon, Airport Assistant Manager; Mariya Basheva, Finance Manager; Vilina R. Ilieva, Office Manager; and Elizabeth Reuss, Administrative Assistant.

Mr. Marks read the Town's virtual meeting statement.

Mr. Marks announced the meeting was being audio recorded.

Mr. Mark asked for comments on the Agenda; hearing none, the Agenda was adopted.

021026-01 – Discussion Regarding Aviation Fuel:

✈ **Committee Strategy**
Mr. Leavitt explained that the Fuel Subcommittee's strategy should focus on increasing fuel sales because those sales support the Airport's operating and capital needs. To do this, the Airport must first secure additional fuel supply. Once adequate supply is in place, the Subcommittee can then consider approaches for increasing fuel sales.

✈ **Additional Summer 2026 Supply Options**
Mr. Marks reported that renting a barge from AGM Marine Contractors, Inc. is not a viable option. AGM's barges are not Coast Guard inspected, which limits them to approximately ten thousand five hundred (10,500) gallons and makes both operations and required biannual inspections cost prohibitive. Mr. Harimon added that during a meeting with Noonan, the barge option was also deemed impractical due to logistical challenges, driver hour of service limitations, and extended workdays. Noonan indicated this option would only be considered in an emergency.

Dean Geddes of the Inquirer and Mirror joined the meeting.

Mr. Marks noted that Nantucket no longer has the infrastructure to offload bulk fuel, eliminating barging as a workable solution. Mr. Marks suggested contacting the Steamship Authority to determine whether an additional hazmat boat could be chartered on Sundays during the summer, similar to the extra hazmat boats that sometimes operate in the winter. Mr. Harimon noted that recent discussions with Steamship representatives Nat Lowell and Rob Ranney, did not raise this as an available option, although occasional added capacity may occur depending on conditions.

Mr. Harimon then outlined Noonan's proposal to dedicate four (4) trucks that would rotate between the mainland and Nantucket. Under this approach, two (2) trucks would remain on island as standby and two (2) would stay on the mainland. When space becomes available at the fuel farm, the standby trucks on island would be offloaded, and the empty trucks would then be swapped with the full trucks waiting on the mainland. Mr. Leavitt questioned whether more than two (2) trucks could be kept on island to maximize the use of any last-minute ferry openings. Mr. Harimon explained that Noonan will only dedicate four (4) trucks total, and full trucks cannot remain at Steamship Authority Terminals so mainland staging would need to occur at Noonan's West Bridgewater yard.

Mr. Marks noted that the rotation system is designed to keep tanks topped off despite limited summer ferry reservations. Mr. Harimon added that although Noonan trucks use the Airport's existing reservations, occasional cancellations on the hazmat boat could still allow additional loads. Mr. Marks highlighted that having trucks already on island improves flexibility because an empty truck can be quickly moved back to the mainland when a ferry opening occurs.

Mr. Leavitt reiterated that ferry capacity is the main constraint and suggested that, in an ideal situation, a full truck would always be staged in Hyannis to ensure no hazmat boat departs with an empty spot. Mr. Marks suggested a variation where three (3) trucks remain on island and one (1) on the mainland to balance staging and driver logistics.

Mr. Leavitt also stressed the importance of communicating long term objectives to Noonan, emphasizing that the Airport seeks not only modest increases in delivered loads but ultimately an additional five hundred thousand (500,000) to one million (1,000,000) gallons of fuel capacity as part of its broader strategy. Mr. Marks responded that achieving that scale would require expanded on island storage.

Mr. Harimon provided last year's reservations and actual loads for review, noting that the Airport secured seventeen (17) fuel deliveries per week for July and August, an increase from fourteen (14) reservations per week last year. This will result in approximately three hundred thousand (300,000) additional gallons of fuel delivered. With this year's expanded reservation count and approximately twenty thousand (20,000) gallons of on island capacity, Mr. Harimon confirmed that curtailments are not expected. Mr. Leavitt reiterated that the ultimate strategic objective is to meaningfully expand future fuel availability to support higher levels of fuel sales.

✈ Logistics Required to Sell More Fuel

Mr. Harimon explained that Noonan trucks could potentially be staged on island, and the Airport is also considering leasing three (3) seven thousand (7,000) gallon refuelers from World Fuel, which would add twenty-one thousand (21,000) gallons of temporary storage. Mr. Marks asked

about the cost and operational impact of that option. Mr. Harimon stated the World Fuel lease cost is just over one hundred thousand dollars ($100,000) for the summer, including transport.
Mr. Leavitt questioned whether it makes sense to use ferry capacity to bring over refueler trucks that contain no fuel, rather than using that space for Noonan tanker trucks that deliver ten thousand (10,000) gallons each. Mr. Harimon explained that the World Fuel refuelers could be brought to the island in April or May so they can be filled and prepared before June. Mr. Leavitt questioned why the Airport would transport a refueler instead of transporting a Noonan tanker truck during that same period, noting that a tanker truck would deliver ten thousand (10,000) gallons immediately. Mr. Marks said that the benefit of bringing the refuelers is the additional storage capacity they provide. With the refuelers on island, the Airport would have roughly forty thousand (40,000) gallons of supplemental storage rather than the twenty thousand (20,000) gallons available if only Noonan trucks were used, because the refuelers can be filled and held on site.

Mr. Leavitt asked whether other companies could supply tanker trucks. Mr. Marks commented that additional storage trucks may help only for the current season and emphasized the need to focus on long-term storage expansion for future years. Mr. Harimon identified several challenges with staging Noonan trucks on island, including updates to the Airport's fuel storage license, potential fire code requirements, and concerns about proper fuel quality control. World Fuel refuelers are equipped with tank and filter sumps, which makes sampling and contamination checks easier than with Noonan trucks, which do not have those features.

Mr. Leavitt suggested rotating Noonan trucks on a first in, first out basis so that no truck sits for an extended period. Mr. Harimon noted that although rotation is possible, Noonan trucks still require daily sampling and may need spill containment, which will be discussed with the fire chief during the meeting scheduled for next week.

Mr. Harimon concluded that Noonan needs a decision by the end of the month and recommended informing Noonan that at least some trucks should be retained on island, as this represents a significant operational commitment for the company.

- **Tank Farm Expansion**

Mr. Marks reported that he has researched modular storage tanks from Trans Tank, which shows that costs can be reduced by purchasing tanks without pumps. A more suitable Jet A compatible submersible pump is available from another supplier at a significantly lower cost and with simpler operation. The tanks are double wall units that do not require containment and can be installed on concrete pads at each end. Installation appears straightforward and cost-effective. Mr. Marks estimated approximately one hundred ten thousand dollars ($110,000) per tank, plus transportation, crane services, foundation construction, electrical work, and piping. A four (4) tank project is expected to fall near one million two hundred thousand dollars ($1,200,000) once fully designed.

Mr. Leavitt noted that, based on expected fuel margins, the investment could be recovered within one (1) year if fuel sales increase by about three hundred thousand (300,000) gallons. Mr. Marks and Mr. Harimon reviewed remaining uncertainties, including fire suppression requirements, environmental review, engineering design, and previous experience with a multi-million-dollar fuel system upgrade.

Mr. Harimon cautioned that fire suppression and environmental requirements could significantly increase costs, referencing a prior fuel-farm upgrade that totaled nearly five million dollars ($5,000,000). Additional planning, engineering, and permitting will be required.

Mr. Leavitt asked what would be required to support an additional five hundred thousand (500,000) to one million (1,000,000) gallons of fuel annually. Mr. Harimon responded that both additional equipment and additional personnel would be necessary, noting that current peak-season operations are already difficult to manage. Mr. Leavitt pointed out that last summer's two million six hundred thousand million (2,600,000) gallons sold would need to increase by roughly twenty percent (20%) to reach that goal and asked what staffing levels would be required to support both current and increased volumes.

Mr. Marks asked how many staff members were needed last summer to manage fueling operations. Mr. Harimon explained that operations staffing included nine (9) full-time employees, temporarily increased to ten (10), along with ten (10) to twelve (12) seasonal employees. Ms. Basheva recommended adding at least two (2) more seasonal employees per shift. Mr. Harimon stated that approximately fifteen (15) seasonal employees would be needed, but hiring that number is difficult due to housing constraints and the short work window for many college students, who often leave before the season ends. Mr. Leavitt asked for an estimate of full-time equivalent staffing based on those seasonal numbers, and Basheva estimated that fifteen (15) seasonal workers would equate to about 10 full-time equivalents.

Mr. Harimon reviewed existing staffing levels and explained the challenges of recruiting and housing enough seasonal employees, especially because many college-age staff leave before the season ends. Mr. Marks asked about current housing capacity for seasonal staff. Mr. Harimon responded that there are seven (7) available rooms in the new dormitory housing. Mr. Smith clarified that there are eight (8) rooms in total, with one (1) already occupied, leaving seven (7) available. Two (2) rooms have bunk beds which can accommodate two (2) people each, allowing for additional occupancy. Mr. Smith also noted that the Thompson House could be used as overflow housing if needed. Ms. Basheva added that some of the seasonal housing is also allocated to FBO staff, which reduces the number of rooms available for airport operations personnel.

Mr. Marks asked whether the Airport has considered using H2B visas for seasonal staffing. Ms. Basheva responded that the town does not typically use the program and that it likely involves substantial administrative requirements. Mr. Harimon added that the Airport previously explored H2B hiring but encountered barriers, possibly related to the position being classified as hazardous work or tied to security requirements.

Mr. Leavitt suggested exploring counter-seasonal recruiting at airports in locations such as Heber, Eagle, Sun Valley, Aspen, and Rifle, where staffing needs peak in winter rather than summer. Mr. Harimon noted that earlier outreach attempts did not yield much success, although those efforts have not been revisited in recent years. Mr. Smith offered to reach out to contacts in those regions.

Ms. Basheva emphasized that there is currently no capital article for the project and that the earliest it could be submitted is this upcoming summer for consideration at the FY28 Town Meeting. Costs may rise before then, and the project must score high enough under the Capital Program Committee's evaluation system to move forward. Mr. Harimon stated that preparing a complete capital packet will require multiple written price quotes for various components of the project.

Mr. Harimon asked whether the Airport should work with a general contractor or with McFarland-Johnson. Mr. Leavitt recommended seeking a different engineering firm. Mr. Marks and Mr. Harimon discussed past contractors, including Trac Builders, and Mr. Leavitt suggested obtaining references from tank manufacturers and other airports in Massachusetts that have installed similar systems, as well as Mass Tank, who completes the Airport's tank inspections.

Mr. Harimon and Ms. Basheva confirmed that capital packet submissions are due in August, and last-minute preparation has caused difficulties in prior years. Mr. Marks asked how many quotes are needed, and Ms. Ilieva recommended at least two (2) to three (3) for reference, noting that fuel-related projects are exempt from formal RFP or IFB requirements.

Mr. Smith raised questions about environmental review, including MEPA and NEPA. Mr. Harimon and Mr. Smith agreed that additional guidance from MassDOT and state environmental contacts will be needed. Mr. Leavitt suggested speaking with airports that have recently completed similar installations to better understand state-level requirements. Mr. Harimon also mentioned that World Fuel or Mass Tank could potentially play a role, and Mr. Smith asked whether quotes would be needed for each project component if tasks are bid separately. Ms. Ilieva confirmed that multiple quotes would be useful for internal reference, with the final contractor selection made based on what makes the most sense for the project.

Mr. Leavitt asked Mr. Harimon to identify what else is required, beyond staffing, to increase fuel sales by twenty percent (20%) to forty percent (40%). Mr. Harimon said that securing two (2) or three (3) additional fuelers would help determine future staffing needs and confirmed that more equipment would be essential. Mr. Marks noted that during peak afternoon periods, the current operation staff cannot always respond to smaller fueling requests because staff are fully occupied with large jet operations, highlighting the need for more personnel.

Mr. Harimon raised the question of whether the goal is to sell fuel to new customers or to increase sales to aircraft already operating at Nantucket. Mr. Marks clarified that the objective is to capture full fueling from aircraft already coming to the island rather than allowing those aircraft to split purchases between Nantucket and other airports, providing examples of landing-fee waivers tied to purchasing minimum fuel amounts, which generate more revenue than landing fees alone. Mr. Leavitt emphasized that the focus is on ensuring that aircraft already operating at Nantucket buy all the fuel they need on-island rather than purchasing it at another airport. Lost fuel sales reduce the Airport's ability to invest in equipment, staffing, and services.

Mr. Leavitt also explained that inadequate fuel availability increases noise and traffic. When insufficient fuel is available, aircraft must leave Nantucket to refuel and then return, generating additional operations. If aircraft tanker in fuel because they expect limits, they land heavier, use more runway, produce more noise on landing, and increase wear on airport systems. Ensuring sufficient fuel supply avoids these issues and supports airport revenue and operational efficiency.

✈ Fuel Supplier Requirements

Mr. Leavitt raised concerns about the ongoing review of the World Fuel contract, noting that the Airport must first determine exactly which services it expects from a fuel supplier. This includes deciding whether the supplier should provide only fuel or also handle logistics and other support functions. Without clear specifications, it is difficult to evaluate contract terms or seek competitive proposals for what is essentially a multi-year, multi-million-dollar agreement. Mr. Leavitt emphasized the need to step back and define requirements before continuing to renew a long-standing contract by default.

Mr. Marks said that the draft contract appeared to give World Fuel excessive control, such as requiring the Airport to use World Fuel's credit card processor. Mr. Marks noted that the Airport should focus primarily on fuel purchasing and negotiate additional services only if they offer clear value and cautioned against allowing World Fuel to dictate pricing practices or promotional programs, especially given Nantucket's unique operating environment and higher costs.

Ms. Ilieva advised that these concerns should be raised with the Airport's legal counsel, which is responsible for reviewing all contract terms and communicating with World Fuel. Ms. Basheva explained that the current credit card arrangements have historical and practical reasons. Avcard and government Air Cards are inherently tied to World Fuel, and the Airport recently transitioned most other card types to X1, the Airport's FBO software. X1 recommended retaining World Fuel for Multi-Service and Avcard transactions. While Multi-Service rates might be lower through Titan, the Airport already evaluated that option and was advised to remain with World Fuel.

Mr. Marks asked how credit card rates are set in aviation. Ms. Basheva explained that rates can be negotiated based on sales volume and processing patterns, and that discussions with World Fuel included attempts to secure better terms. Mr. Leavitt added that the Airport now benefits from upgraded card-processing equipment that supports tap-to-pay technology, which reduces network fees for Visa, MasterCard, and American Express. The Airport also receives discounted Amex rates through a state municipal contract. Ms. Basheva noted that the Airport is the first in the state eligible for Amex Direct processing through X1, and follow-up is underway to complete that implementation.

Mr. Leavitt noted that the proposed World Fuel contract included a proposed one (1) cent penalty of one cent above the New York Harbor benchmark price if the Airport chose not to use World Fuel's credit card processing. Mr. Leavitt questioned whether this penalty was part of prior negotiations and asked who was handling contract discussions. Ms. Ilieva confirmed that the Airport's legal team, Anderson and Krieger, manages contract review and communication with World Fuel.

Mr. Leavitt emphasized that before examining individual clauses, the Airport must clearly define specifications for what the fuel supplier is expected to provide. These include guaranteed fuel availability, penalties for inability to supply fuel, responsibility for transportation logistics, and requirements related to fuel trucks and equipment. Establishing these specifications would place the Airport in a stronger position for evaluating future proposals.

Mr. Marks asked whether the Airport or World Fuel controls summer ferry reservations. Mr. Harimon and Ms. Basheva confirmed that World Fuel currently holds them. Mr. Marks expressed concern that tying reservations to a single supplier limits flexibility and explained that, in other industries, reservations or transport arrangements are typically held by the purchaser or trucking provider. Mr. Marks suggested that Nantucket could request all future reservations directly, then assign them to the selected supplier, which would strengthen the Airport's negotiating position and ensure continuity if a new vendor were chosen. Mr. Leavitt agreed that holding reservations locally would improve leverage and transparency. Both Mr. Leavitt and Mr. Marks discussed the importance of comparing transportation costs, noting that the Airport cannot determine whether World Fuel includes a markup without outside quotes.

Mr. Smith explained that if the Airport were to pursue a one-year interim contract with World Fuel, that decision would need to be made soon due to reservation cycles. Mr. Harimon added that a new supplier would need to be identified by fall at the latest to manage upcoming reservation cycles.

Mr. Marks suggested an alternative approach in which the Airport submits all ferry reservation requests itself, thereby retaining ownership of the reservations. Once secured, those reservations could be assigned to any supplier, such as World Fuel or Titan. Mr. Marks explained that this approach would put the Airport in a stronger position when negotiating future contracts and prevent the current situation in which a supplier controls reservation slots. Mr. Leavitt agreed, noting that as a local entity, the Airport is better positioned to maintain an effective relationship with the Steamship Authority than a fuel vendor located off-island. Mr. Marks added that the Steamship Authority has been particularly helpful with reservations this year, and securing the reservations directly would keep the Airport in a stronger position during contract negotiations.

Mr. Leavitt recommended continuing under the current month-to-month agreement, which includes a 90-day cancellation clause, rather than negotiating a new one-year contract. This would allow the Airport to focus on developing a full, competitive multi-year RFP by the fall. Mr. Leavitt stated that World Fuel has an incentive to cooperate, given that a future longer-term contract will soon be offered.

Mr. Marks supported maintaining the current month-to-month agreement while preparing a competitive RFP. Mr. Harimon questioned whether World Fuel might want more formal assurances, given recent equipment requests. Mr. Marks noted that World Fuel is already receiving compensation for trucks and equipment, so the existing arrangement remains beneficial to them. Mr. Smith shared that World Fuel prefers a two-year agreement to accommodate the reservation schedule. Mr. Leavitt suggested countering that the Airport has successfully operated under the current structure and that focusing on a multi-year RFP is more efficient for both parties

Mr. Leavitt asked whether the Airport has verified that World Fuel is charging according to the contractual method tied to the Platts New York Harbor barge price plus a defined spread. Ms. Basheva was not aware if this rate was assessed in prior audits. Mr. Marks recommended requiring invoices to list the benchmark price and differential clearly. Mr. Leavitt suggested that this requirement be included in the specifications for the future contract.

✈ Retail Fuel Pricing Policy

Mr. Leavitt requested an explanation of the Airport's current retail fuel pricing methodology. Ms. Basheva explained the long-standing practice of applying a seasonal markup that ranges from four dollars ($4) per gallon in the winter to four dollars and fifty cents ($4.50) per gallon during peak summer periods. The markup is added to the Airport's calculated raw fuel cost, which includes the total invoice amount for each delivery divided by the delivered gallons. Ms. Basheva stated that this method has been used for many years, although no written policy exists.

Ms. Basheva explained that weekly raw cost updates are based on current price information from World Fuel combined with recent delivery data. A rolling average is used, typically covering about a week, although the exact time frame may vary based on the spreadsheet setup. Mr. Marks asked whether the calculation uses a true blended cost that averages existing tank inventory with new deliveries. Ms. Basheva confirmed that it does.

Mr. Smith noted that Nantucket monitors surrounding Airports such as Martha's Vineyard, Hyannis, and Chatham and remains generally consistent with their posted prices, while also reviewing pricing from larger airports for comparison. Mr. Marks cautioned that some listed prices, particularly at airports with fuel membership programs, may not reflect actual prices paid by many operators.

Mr. Leavitt questioned the short averaging period, given that tank turnover does not occur weekly. Ms. Basheva responded that historical raw costs have remained relatively stable, which may explain why the method has not produced large fluctuations. Mr. Marks emphasized the importance of using a blended cost that reflects both existing inventory and new deliveries to maintain proper pricing alignment.

Public Comments

Dean Geddes of the Inquirer and Mirror asked how long fuel demand has exceeded the Airport's available jet fuel supply. Mr. Harimon explained that for the past three (3) to four (4) years the Airport has repeatedly implemented fuel limits to manage shortages. During the previous summer, general aviation uplifts were restricted on four (4) occasions to three hundred (300) gallons per aircraft per day, which reflected the average need across the fleet. In earlier years, similar limits were imposed, including at least one instance in 2023 when general aviation fueling was halted entirely in order to preserve fuel for commercial carriers such as JetBlue and United. On one (1) occasion, the Airport was left with only five thousand (5,000) gallons of emergency fuel.

Mr. Geddes then asked whether this upcoming summer will be the first season in which supplemental storage through trucks or similar means will be used. Mr. Harimon confirmed that this will be the first year such supplemental measures are implemented.

Mr. Geddes asked whether the current effort is not only intended to prevent emergency fuel restrictions but also to increase fuel sales, noting that some aircraft arrive with extra fuel because they anticipate limited availability at Nantucket. Mr. Harimon confirmed that during periods when uplifts were restricted to three hundred (300) gallons per aircraft, pilots routinely brought in additional fuel. This practice reduced the amount of fuel they would otherwise purchase locally.

Mr. Geddes also asked about the operational impact of aircraft landing with excess fuel. Mr. Harimon explained that aircraft arriving with more fuel than usual land at heavier weights, which increases runway usage, braking, thrust reverser use, and overall noise. The goal of expanding inventory is to remove uplift limits so pilots do not tanker fuel, which will reduce unnecessary weight, prevent extra repositioning flights for refueling, and support higher on-island fuel sales.

The meeting adjourned at 11:50 AM.

Respectfully submitted,

Elizabeth Reuss, Recorder