

Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

Warren Smith, Airport Manager
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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
June 4, 2026

The meeting was called to order at 11:30 AM by Airport Manager Warren Smith with the following Commissioners present: Michael Leavitt and Philip Marks III.

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

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

Also present: Rich Lasdin, McFarland-Johnson.

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

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

Mr. Smith asked for comments and concerns on the 04/13/26 and 05/19/26 Draft minutes.

Mr. Leavitt then made a **Motion** to approve the 04/13/26 and 05/19/26 Draft Minutes. **Second** by Mr. Marks.

060426-01 – Discussion Regarding Aviation Fuel:

➔ **Fuel Farm Engineering Task Order and Separate MEPA Review**

Mr. Lasdin reported that the Commission requested options to accelerate the environmental review for the proposed fuel farm project. The project is currently included in the state and federal EAEIR, which evaluates all airport capital projects over a three (3) year period. The Airport contacted the state and confirmed that a “phase one waiver” is available. This hardship-based waiver, previously used for Taxiway Echo, allows the project to enter review earlier, although all required environmental work, including the EA, alternatives analysis, and associated chapters, must still be completed.

Mr. Marks stated that the primary hardship is the need to rent mobile fuel-storage trucks to meet demand, which is costly and inefficient. Mr. Lasdin added that rental expenses strengthen the hardship case. Mr. Leavitt noted that the existing fuel-supply shortfall further supports the request.

Mr. Lasdin explained the distinction between the Massachusetts Environmental Policy Act (MEPA), which governs the state environmental-review process, and the National Environmental Policy Act (NEPA), which governs the federal process. The project is expected to qualify for a federal categorical exclusion, but MEPA requirements still apply, including review of environmental justice considerations. The fuel farm site is located within an EJ community, requiring full MEPA review. Natural Heritage sign-off cannot be issued until MEPA certification is complete, though some work can proceed concurrently.

Mr. Leavitt asked whether the project is likely to trigger significant environmental concerns. Mr. Lasdin stated that the site is currently a parking lot and is not believed to be priority habitat, though the formal process must still be followed. Mr. Harimon confirmed that the area is not listed as habitat. Mr. Lasdin stated that MEPA review typically takes twelve (12) to fifteen (15) months. The timeline under a hardship waiver will be confirmed by reviewing the prior Taxiway Echo waiver.

Mr. Lasdin outlined the environmental requirements, including schematic-level design and analysis of at least two (2) alternatives plus a no-build option. This work would be required regardless of procurement method. The Subcommittee discussed whether a private entity would face the same environmental obligations. Mr. Lasdin noted that requirements may differ for private development on leased land and will investigate whether a public-private partnership could reduce MEPA obligations. Mr. Marks stated that private tenants on Airport property have historically not undergone MEPA review for similar projects.

Mr. Lasdin described procurement options, including owner-procured equipment, public-private partnerships, and performance-specification contracting. Municipal procurement rules significantly increase cost due to prevailing wage, DBE/WBE requirements, and public-bid procedures. Owner-procured equipment can reduce cost but shifts warranty responsibility to the Airport. Public-private partnerships allow a fuel supplier to construct the facility and recover costs through fuel pricing, similar to the model used for the existing fuel farm.

Mr. Leavitt recommended developing a baseline design and cost estimate as if the project were privately built, then identifying the additional cost layers required under municipal procurement. This would provide a target price and inform decisions about public-private partnership options. Mr. Lasdin agreed to contact firms experienced in private fuel farm construction and to prepare an estimate for the engineering work needed to advance the project. Mr. Marks emphasized the need for a design approach that accommodates future expansion and simplifies eventual removal of existing underground tanks. Mr. Lasdin confirmed that the existing fire-suppression pump station is sized to support expansion, though additional distribution components and monitoring upgrades may be required.

Mr. Marks asked whether the consultant could prepare the design, and Mr. Lasdin clarified that the appropriate product would be a procurement specification rather than a full design package. Mr. Leavitt asked which portions of a fuel farm project are exempt from Massachusetts public-procurement laws. Mr. Lasdin stated that only the fuel itself is exempt, not the construction of the fuel farm, and recommended confirming this with Legal Counsel. Ms. Ilieva agreed.

Mr. Marks discussed the potential for a public-private partnership similar to the model used on Martha's Vineyard, where the fuel supplier constructs the facility based on performance specifications provided by the Airport. Under such an arrangement, the supplier would build the system and the Airport would support components the supplier does not typically perform, such as fire-suppression design. Mr. Lasdin confirmed that this approach is viable but noted that MEPA applicability under a private-build scenario still needs to be clarified.

Mr. Marks emphasized the cost differences between municipal procurement and private construction, citing examples of tank and piping costs. Mr. Lasdin acknowledged the frustration and noted that construction on Nantucket is two (2) to three (3) times more expensive than on the mainland. Mr. Leavitt suggested benchmarking against Martha's Vineyard, which faces similar island-based cost pressures.

The Subcommittee discussed cost-saving design approaches, including above-ground tanks installed at grade rather than in a containment pit, use of double-wall tanks, simplified foundations, and performance-specification procurement. Mr. Marks described preliminary design concepts, including submersible pumps, settling requirements, and structural supports. Mr. Lasdin noted that similar saddle-type supports were used on the Martha's Vineyard project.

Mr. Leavitt stated that the Commission needs an initial engineering review to understand the scope, cost, and procurement options. Mr. Lasdin agreed to prepare an estimate and to contact firms experienced in private fuel farm construction, including those involved in the existing facility. Mr. Marks requested that the design accommodate future removal of underground tanks and allow straightforward tie-in to new above-ground tanks. Mr. Lasdin confirmed that the existing fire-suppression pump station is sized for expansion, though additional distribution and monitoring upgrades may be required.

Mr. Smith asked whether the EAEIR could also cover future removal of underground tanks. Mr. Lasdin stated that the expansion plan already includes new tanks and removal of existing tanks and can be incorporated into the environmental documentation.

Mr. Lasdin outlined next steps which are confirming whether a public-private partnership would require MEPA review, reviewing the phase-one waiver process, and gathering cost information for a private-build scenario. Mr. Leavitt requested an update by the next Commission meeting. Mr. Lasdin stated that summer schedules may limit immediate availability but committed to providing information by the next meeting.

The Subcommittee discussed contract-term limitations. Ms. Ilieva noted that Town contracts are limited to three (3) years. Longer-term leases, such as those on Bunker Road, are governed separately.

Mr. Lasdin explained that FAA grant rules require airports to demonstrate active efforts to stimulate competitive bidding. Because many Nantucket projects receive little or no contractor interest, consultants routinely contact potential bidders directly when a project is advertised, encouraging them to review the plans and submit proposals. FAA regulations allow the agency to reject or withhold funding for projects that receive only a single bid unless the Airport can document that meaningful outreach was conducted. Mr. Lasdin noted that other airports have had grants withheld for failing to show adequate competition, underscoring the importance of documenting bidder outreach in every recommendation to the FAA.

➔ Fuel Supply and Sales Update

Mr. Leavitt requested an update on fuel-supply chain conditions and reservation usage. Mr. Harimon reported that the Airport began the day with approximately one hundred forty-three thousand (143,000) gallons of fuel on hand following the most recent delivery. Several ferry reservation slots were not used during the prior week, with four (4) unused between Wednesday and Saturday; one being (1) transferred to Harbor Fuel. A full season-to-date count of unused reservations is being tracked. Mr. Harimon noted that unused May reservations may inform next year's request levels, while June reservations will likely be retained.

Mr. Marks observed that increased storage capacity this year will provide better insight into appropriate reservation levels going forward. Mr. Leavitt reviewed cumulative fuel-flow data, noting that sales have now exceeded deliveries for the first time this season, avoiding the widening supply gap experienced the prior year. Memorial Day sales tracked slightly higher than the previous year, and regional pricing remains mid-range and competitive.

Mr. Harimon reported that the Select Board unanimously approved the amendment to the Airport's bulk fuel-storage license at the prior evening's public hearing. The amendment was required due to the additional fuel trucks and also incorporated housekeeping updates requested by the Fire Department, including the addition of underground propane tanks to the license.

➔ Converting Non-Fuel Purchasers Update

Mr. Leavitt requested an update on efforts to convert non-fuel purchasers, noting that flyers were placed at the FBO counter and letters were sent to fifty (50) targeted operators, with AMSTAT used on a trial basis to improve contact information.

Mr. Smith reported that all fifty (50) letters were mailed the previous week. Ms. Basheva explained that AMSTAT provided very limited value, with most listings showing only ownership information and almost no operational or management contacts, stating that X1, FAA records, and basic online searches produced more usable information than AMSTAT, and that several aircraft were not listed in AMSTAT at all.

Mr. Leavitt noted that AMSTAT historically offered detailed operational contacts and suggested that the version available through X1 may not include full data. Ms. Basheva agreed to send sample screenshots for review and confirmed that when management companies were identified, letters were sent to those addresses; otherwise, owner information was used.

Mr. Smith reported no responses to the letters to date. Mr. Leavitt suggested reviewing fuel-purchase behavior at the end of June to determine whether the outreach increased fuel sales among the targeted group, noting that the Airport is not pursuing enforcement-based measures at this time.

Mr. Marks described an incentive program used for his business to encourage customers to switch to electronic billing and suggested that a similar concept might be adapted to encourage fuel purchases or improved customer data collection. Mr. Leavitt asked whether the Airport should work toward building a more complete CRM-style database of customer contacts, including operational leadership. Ms. Reuss explained that FBO staff manually enter tail numbers and available information into X1, sometimes using FAA data to fill missing fields. Email addresses are typically collected for receipt delivery. Ms. Basheva noted that many transient operators appear uninterested in providing full contact details.

Mr. Lasdin asked how landing fees are billed; Ms. Basheva and Mr. Marks clarified that most operators pay on the spot, with only major airlines billed later. Mr. Lasdin suggested reframing data collection as a way to share airport updates, such as tower-hours changes, which could help gather more email contacts.

Mr. Leavitt requested a copy of the current X1 data-entry fields so the group can determine what additional information should be collected, suggesting developing a simple paper form for pilots to complete, potentially paired with small incentives such as cookies or T-shirts. Mr. Lasdin supported placing a form at the counter for operators paying by credit card.

➔ **Fuel Supply RFP Specifications Update**

Mr. Leavitt reported that the Subcommittee previously discussed advancing the fuel-supply RFP and gathering examples from municipally owned airports. The intention is to obtain contract samples directly from airports rather than from vendors. Mr. Smith stated that fuel-supply contracts have been obtained from Westover, Provincetown, and Hyannis, with a response from Plymouth still pending. Additional outreach to Bedford, Barnes, Fitchburg, Bangor, and Portsmouth produced mixed results; Bangor reported operating as an unbranded facility.

Mr. Lasdin explained that a list of municipally owned airports is available, but information on which airports operate their own FBOs is not. Newport, Rhode Island was identified as state-owned, and Brunswick was noted as publicly owned through a redevelopment authority.

Mr. Leavitt stated that the collected examples should provide enough material to begin assembling an RFP that incorporates the strongest elements from each source. A comprehensive draft is preferred, with required components and optional items clearly identified. Some suppliers may also provide ground-service equipment such as GPUs.

Ms. Ilieva referenced Martha's Vineyard's contract, which includes X1 is provided at no cost by the supplier. Mr. Harimon stated he reviewed that contract and identified several questions. Ms. Ilieva asked whether the Airport would want to grant operational control to a fuel supplier under a similar arrangement. Mr. Marks noted that such an arrangement would be temporary until the Airport buys back the equipment.

Mr. Leavitt stated that a vendor-built fuel farm could potentially be constructed for approximately two million dollars (\$2,000,000) instead of eight million dollars (\$8,000,000), with a significantly shorter timeline. Earlier completion would allow increased fuel sales and additional revenue to support other capital projects. Mr. Lasdin clarified that a vendor-built project would not qualify for MassDOT or PFC funding, while a publicly built project could. Federal funding remains unlikely, but MassDOT has previously provided substantial support for other Airport initiatives.

Ms. Basheva and Mr. Smith reported that the fuel farm project has been included in the FY28 capital plan for Commission review. Mr. Smith stated that MassDOT and the FAA will review the Airport's CIP between July 13 and August 31, during which the Airport may learn whether MassDOT will provide funding for the fuel farm. Even if initial funding is not available, MassDOT sometimes allocates additional funds at the end of the fiscal year, though typically not at full project cost.

The meeting adjourned at 12:43 PM.

Respectfully submitted,

Elizabeth Reuss, Recorder

Master List of Documents Used:

Agenda Protocol

04/13/26 and 05/19/26 Draft Minutes

Jet A Inventory Charts

