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UKIAH REGIONAL AIRPORT COMMISSION
April 1, 2014
Minutes

COMMISSIONERS PRESENT

Carl Steinmann, Chair
Eric Crane
Don Albright

STAFF PRESENT

Greg Owen, Airport Manager
Ken Ronk, Airport Assistant
Cathy Elawadly, Recording Secretary

COMMISSIONERS ABSENT

Dottie Deerwester
Gordon Elton

OTHERS PRESENT

1. CALL TO ORDER

The Airport Commission meeting was called to order by Chair Steinmann at 6:00 p.m. at the Ukiah Regional Airport, Old Flight Service Station, 1403 South State Street, Ukiah, California. Roll Call was taken with the results listed above.

2. PLEDGE OF ALLEGIANCE - Everyone recited the pledge of allegiance.

3. APPROVAL OF MINUTES – March 4, 2014

Commissioner Crane made the following corrections:

Page 2, line 51, sentence revised to read, 'The volume of aircraft that comes to Ukiah Airport is much greater than that of Little River Airport and questions why the FAA would even think about reducing Ukiah Airport to a 75-foot width.'

Page 3, line 6, sentence revised to read, 'Having a wider runway would be safer.'

M/S Albright/Crane to approve March 4, 2014 minutes, as amended. Motion carried (3-0).

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

5. DISCUSSION/ACTION

5B. ALP Update

Airport Manager Owen:

- Would like the Commission to review the draft ALP update before it goes to City Council for review in May. It would be beneficial for the Commissioners to attend this meeting.

5B. Airport Maintenance

Airport Manager Owen:

- Airport staff has been performing various maintenance projects at the Airport mostly focusing on mowing and weed eradication.

Airport Assistant Ronk:

- Maintains a maintenance file for all the hangars so that when an improvement/repair is done on a hangar it is documented.

Commissioner Crane:

- Asked about the status of the hangar waiting list.

Airport Assistant Ronk:

- There are approximately 32 persons on the hangar waiting list. The Pasco hangar is the hangar type in most demand. No Pasco hangars are available at this time.

1 **Airport Manager Owen:** Confirmed the Pasco and Shade hangars are the most popular.

2
3 There was staff/Commission discussion concerning the hangar rental fees.

4
5 **5C. Fuel Tank**

6 **Airport Manager Owen:**

- 7 • Related to the Airport 'Fuel Farm', Staff/Commission have been interested in possibly purchasing
- 8 a 20,000 gallon Jet A fuel tank or a 12,000 gallon 100LL self-fueling tank. Currently, the Airport
- 9 has one partitioned single 20,000 gallon fuel tank that stores 8,000 gallons of Jet A and 12,000
- 10 gallons of Avgas.
- 11 • Staff has asked Mead & Hunt consultants to look into preliminary cost and design to address the
- 12 fueling needs at the Airport. As such current estimates for a 12,000 gallon 100 LL self-service
- 13 tank would cost approximately \$200,000. A standalone 20,000 gallon Jet A Tank would cost
- 14 \$132,000. \$200,000 is a considerable amount of money to spend at one time on an operating
- 15 budget. To assist with financing, a Cal Tran Aero loan in the amount of \$200,000 is available at
- 16 the current interest rate of 3.655029% for a maximum length of 17 years whereby the annual
- 17 payments would be approximately \$16,000.
- 18 • Added fuel capacity would benefit the Airport. Currently when a fire event occurs Calfire has to
- 19 limit the number of aircraft/vehicles coming into the Airport at any one time knowing the Airport
- 20 does not always have the fueling capacity available to accompany all their operational needs.
- 21 • There is more demand for Jet A fuel than 100LL. On the average the Airport sells about 135,000
- 22 gallons of Jet A in a year. Calstar averages about 50,000 gallons of Jet A fuel sales in a year.
- 23 • Having added fuel capacity would benefit operations at the Airport, particularly during high
- 24 demand periods. It is important for the Airport to be able to accommodate aircraft and/or service
- 25 vehicles without having to fly/drive to other airports for fuel because Ukiah Airport's fuel capacity
- 26 has been diminished by demand.

27
28 Commission/staff discussion:

- 29 • About the frequency of fuel deliveries and how this process works, particularly associated with
- 30 peak time demand.
- 31 • About whether or not a self-fuel station that sells 100LL would be a sound investment.
- 32 • Is it possible and/or economically feasible to convert the present fuel tank to store only Jet A and
- 33 provide for a 100LL self-fueling station and how would this work?

34
35 **Commission:**

- 36 • Likes knowing a loan is an option.
- 37 • Acknowledges it is important to increase the fuel capacity at the Airport.
- 38 • It is likely the added fuel capacity would pay for the improvement, especially when the fire season
- 39 is busy.
- 40 • The decision to add to the Airport's fuel farm capacity needs to pencil out financially.
- 41 • If the Airport opts for a loan have to make certain there is no prepayment penalty and that the
- 42 Airport can handle the loan payment of \$16,000.
- 43 • Asked if \$200,000 purchase price includes all the pumping equipment?
- 44 • What does a 12,000 gallon 100LL tank without the hook-ups cost?
- 45 • Inquired about cost feasibility to convert the existing 20,000 fuel tank to store only Jet A fuel and
- 46 purchase a 12,000 100LL tank and place it in the same location where the self-serve fuel station
- 47 is being considered?
- 48 • Staff time costs associated with a new fueling system and corresponding service thereof needs to
- 49 be a consideration and factored into the cost scenario.

50
51 **Airport Manager Owen:**

- 52 • Confirmed the pumping equipment is included in the purchase price of \$200,000 of the Jet A
- 53 tank.
- 54 • Did not specifically ask for a cost breakdown concerning a 100LL tank without the hook-ups.
- 55 • Related to purposes of tank conversion, it is easier to go from Avgas to Jet A than Jet A to Avgas.

1 **Airport Assistant Ronk:**

- 2 • Hook-up costs could be between \$30,000 and \$60,000 in addition to the cost of \$132,000 for a
3 new tank.
4 • To do a tank conversion, there will be added costs to have professionals to do the work.
5

6 **Commissioner Albright:**

- 7 • Would be beneficial if the existing fuel hook-up systems are adaptive and compliant with current
8 environmental regulations should the Airport decide to purchase a new standalone Jet A fuel tank
9 without having to spend additional money unnecessarily.

10
11 There was more Commission/staff discussion about potential costs associated with expansion of the
12 Airport's fuel farm in connection with upcoming out-of-pocket expenses for the runway improvement
13 project and how much the Airport can realistically incur financially for costs associated with these
14 improvements. Staff will have to figure out what the costs would be prior to making a decision.
15

16 **Airport Manager Owen:**

- 17 • Does not have information regarding the cost of tank conversion.
18 • It is much easier to drain Avgas and replace with Jet A for the existing 20,000 gallon tank
19 because Jet A fuel is not 'as sensitive' as Avgas than it is to do the reverse.
20 • The problem with doing a tank conversion is that it is difficult to find professionals willing to
21 perform and/or qualified to do this type of work. Staff could put tank conversion as part of the
22 specifications for purchase of a new tank.
23 • While it may be beneficial to purchase another fuel tank, the Airport does have to pay staff to fuel
24 aircraft/service vehicles.
25

26 **Chair Steinmann:** If there is no problem converting the existing tank to store Jet A fuel exclusively, then it
27 would likely be cost effective to purchase a 12,000 gallon fuel tank to store Avgas with the intent later to
28 construct a self-fueling station.
29

30 **Commissioner Crane:**

- 31 • It is unlikely the purchase of a new fuel tank can be completed for fire season this year.
32 • When making a decision about expanding the fuel farm and potential loans, it is important to
33 consider cash flow to make certain the Airport can financially afford the purchase.
34

35 **Airport Manager Owen:**

- 36 • Acknowledged it may not be possible to have a new fuel tank in place for fire season this year.
37 However, it is possible to move forward on the purchase of a 12,000 100LL self-service tank for
38 \$200,000 and secure a loan for some of the cost. \$100,000 is currently budgeted for a new tank
39 by getting the specifications and loan approval completed and the consultants onboard.
40 • The Airport averages about 50,000 gallons in the sale of Avgas annually.
41

42 **Commissioner Crane:**

- 43 • Asked if it is possible to send out specs for a new 20,000 gallon Jet A fuel tank as well as for a
44 12,000 gallon standalone 100LL self-service tank for consideration of both. In this way, the Airport
45 can look at the options.
46

47 **Chair Steinmann:**

- 48 • Asked about fuel savings and how this might work with having more storage capacity.
49

50 **Airport Manager Owen:**

- 51 • Cost savings with regard to fuel is directly related to the way loads are ordered.
52 • It is likely time for Council to review the pricing structure for fuel.
53

54 **Airport Assistant Ronk:** Explained how gas inventory is maintained and loads are ordered.
55

1 **Commission consensus:**

- 2 • Move forward on getting specs for a 12,000 gallon 100LL self-service tank and for a standalone
3 20,000 gallon Jet A tank and obtain loan information for Commission review.
4 • Would like to review the pricing structure for fuel.
5 • Likes that loans are available for fuel tanks.
6

7 **5D. Airport Business Plan / Capital Equipment**

8 **Airport Manager Owen:**

- 9 • Referred to the capital equipment list as part of the Airport Business Plan and asked the
10 Commission to review it.
11 • Explained the information contained on the list.
12 • Replacement of equipment is costly.
13 • Some of the equipment listed actually came as part of an improvement project, such as the
14 portable light towers.
15

16 **Airport Assistant Ronk:**

- 17 • Further commented on the capital equipment list particularly with regard to the condition of the
18 equipment.
19

20 **Commission:**

- 21 • Reviewed the list.
22 • Some of the information on the list may not be necessary and could be eliminated.
23 Recommended adding other information that may include replacement, year of replacement, and
24 an anticipated replacement column.
25 • Recommends having more information related to capital equipment by being able to track
26 accumulated expenses associated with the equipment.
27

28 **Airport Manager Owen:**

- 29 • Understands the City Garage tracks expenses associated with City equipment
30 repair/maintenance.
31 • Airport Associate Ronk did a good job formulating the capital equipment list.
32

33 **6. REPORTS**

34 **6A. Airport Monthly Financial Report**

35 **Airport Manager Owen** commented on the year-to-date financial report concerning fuel sales:

- 36 • March 2014 was not particularly a good revenue generating month and this is typically of this time
37 of year.
38 • Only has data related to expenses/revenue for Calstar on an annual basis so for purposes of
39 providing for a monthly report divides the data by 12.
40

41 **Commission:**

- 42 • Having data related year-to-date financial reports is very informative.
43 • Observed sales for Avgas were down in February.
44

45 **6B. Letter to City Manager**

- 46 • The City Manager will provide a response to the letter.
47 • Related to the issue of storing vehicles the City no longer uses on the northeast side of the
48 Airport on property that can be leased a plan is being formulated on how to better address this
49 issue. These are vehicles that are to be auctioned off and the intent is to make the auctioning of
50 these vehicles more local.
51 • The bridged being stored on Airport property is supposed to be removed in the summer.
52 • A tie-down fee of \$49 is charged for storage of items/materials.
53

54 **Airport Assistant Ronk:**

- 1 • The City Electric Department has been working on cleaning up items/materials that have been
2 stored on Airport property that should be stored in the City Corp. Yard thus encroaching on land
3 that could be leased.
4

5 **6C. Airport Day**

6 **Airport Manager Owen:** Staff continues to work on Airport Day that is June 7th.
7

8 **7. AGENDA ITEMS FOR NEXT MONTH**

- 9 1. Letter to City Manager
10 2. Fuel Tank
11 3. Airport Monthly Financial Report
12 4. Airport Day
13 5. Airport Business Plan.
14 6. ALP Update
15 7. Airport Maintenance
16

17 **8. COMMISSIONER COMMENTS/STAFF COMMENTS**

18 **Airport Manager Owen:**

- 19 • The small equipment repair business has vacated the building located in the Northwest corner of
20 the Airport. Another business has expressed interest in leasing this building.
21 • Recently attended the Airport Land Use Consortium in Rohnert Park and found it to be very
22 informative. The focus of the conference was dedicated more towards the planning side for
23 airports and how factors that occur off airports can directly affect airports.
24

25 **9. ADJOURNMENT**

26 There being no further business, the meeting adjourned at 8:11 p.m.
27
28

29 _____
30 Cathy Elawadly, Recording Secretary
31