

UKIAH REGIONAL AIRPORT COMMISSION
August 4, 2009
Minutes

COMMISSIONERS PRESENT

Dottie Deerwester, Chair
Eric Crane, Vice Chair
Don Albright
Jeff Sloan
Carl Steinmann

STAFF PRESENT

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

COMMISSIONERS ABSENT

None

OTHERS PRESENT

Daryl Hudson
John Eisenzopf

1. CALL TO ORDER

The Airport Commission meeting was called to order by Chair Deerwester at 6:30 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 – June 2, 2009
M/S Crane/Sloan to approve June 2, 2009 minutes, as submitted. Motion carried.

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

John Eisenzopf commented Airport maintenance should be a regular agenda item. He noted the runway requires weed abatement and the doors on the hangar are in need of repair are some examples of general maintenance that need to done.

5. DISCUSSION/ACTION

5A. Fuel Price Recommendation from subcommittee

Airport Manager Owen commented:

- The current resolution staff uses to establish fuel prices for the Airport is ineffective and contradictory.
- A subcommittee was formed to create a new resolution for establishing fuel prices.
- The new resolution allows the markup price for full service 100LL (Avgas) be set at \$.95 and the markup for full service Jet A is to be set at \$2.10 above the total cost the City pays for the fuel. The new Resolution will allow the Airport Manager to change these marked up prices by 30% higher or lower depending on the current market. If there is a need to go lower than 30% due to the fuel market the City Manager may direct the Airport Manager to do so in writing.
- Staff would like to add to the resolution that Airport tenants having a self-fueling agreement in their lease may buy fuel directly from the bulk storage tank at \$.50 a gallon over the cost the City pays for the fuel.
- He referred to the proposed 'Self-fueling Ordinance; It is possible to make the self-fuel agreement a component of the 'Fuel price' resolution and have one policy document rather than two.
- Staff requests the Commission make a recommendation whether the self-fueling agreement should be incorporated in the new resolution establishing fuel prices or made a separate document as part of the new proposed self-fueling ordinance.
- The purpose of the self-fueling ordinance is to establish a policy for self-fueling by owners or operators of aircraft at the Ukiah Regional Airport provided they comply with the ordinance and that the ordinance be applied in a uniform and nondiscriminatory manner.

- The only tenant that currently purchases fuel in bulk from the City to fuel their Aircraft is CalStar. This raises the question whether CalStar should have a break in the cost of fuel @ \$.50 per gallon over costs as opposed to paying the markup price.
- Would this ordinance encourage fuel sales and would the Airport truly benefit?
- If a privately-owned fuel trucks is able to purchase fuel in bulk from the Airport, a program must be in place to effectively monitor inventory.
- Allowing fuel to be purchased directly from the bulk storage tank would eliminate/discourage the use of privately-owned fueling trucks from bringing in their own fuel to fuel aircraft.
- While allowing privately-owned fueling trucks to purchase fuel may be a benefit, there is a concern that further problems could arise with inappropriate use of the fueling equipment.

Commission/Staff comments:

- 'Self-fueling' and 'Fuel pricing' should be considered as two separate issues.
- The new resolution provides for a policy for establishing 'Fuel Price' at the Airport and should not include provisions that relate relative to the matter of self-fueling.
- The new language proposed to be incorporated into the 'Fuel Price' resolution can be added to the 'Self-fueling ordinance such that tenants having a self-fueling agreement may purchase fuel directly from the bulk storage tank at \$.50 a gallon over cost the City pays for the fuel. The initial intent of the 'Self-fueling' ordinance is to establish a policy for self-fueling by owners or operators of aircraft at the Airport so that aircraft owners or operators are allowed to engage in self-fueling at the Airport as long as they comply with the ordinance and that the ordinance be applied in a uniform and nondiscriminatory manner.
- Possible revision of the language for the proposed self-fueling ordinance was discussed.
- The matter of 'flowage fees' is yet another issue with regard to regulating fuel prices. How should this issue be treated? While the intent is to discourage private fueling trucks that purchase fuel at another location from fueling aircraft at the Airport, how should 'flowage fees' be monitored for those persons dispensing fuel from private fuel trucks? How should the 'flowage fees' be established as to percentage of mark-up?
- Staff would have the discretion to decline self-fueling opportunities in instances when the inventory of fuel may be low and/or when there is a need to retain a reserve of fuel for other purposes having a higher priority, such as for CalFire. It will be staff's responsibility to effectively manage/monitor fuel on-hand in anticipation of demand, particularly during time of peak use and to make sound decisions regarding the purchase of fuel to offset sales and demand.
- **Commissioner Sloan** supports CalStar pay the mark-up price for fuel even though they are the only tenant on the Airport that purchases fuel in bulk.
- **Commissioner Crane** is concerned all costs are adequately covered between leveraging fuel purchases and maintaining a sufficient amount of inventory for potential demand and still make a profit.
- Should only tenants be able to take advantage of the \$.50 per gallon over cost program or extend to all users?
- **Chair Deerwester** summarized the fuel price elements and they include: Avgas @ \$.95 per new resolution, Jet A @ \$2.10 per new resolution, tenants having leases that have a fuel truck to sell fuel can purchase fuel directly from the bulk storage at \$.50 a gallon over cost (would be negotiated in the lease agreement), and flowage fee for those persons who are not Airport tenants and have no lease agreement and come to the Airport with their own fuel truck.
- **Airport Assistant Ronk** questioned what should occur in the event a non-tenant comes to the Airport with a fuel truck and wants to purchase fuel; Should this non-tenant be able to purchase fuel at \$.50 per gallon over cost?
- **Airport Assistant Ronk** commented the Airport at this juncture does not have the fueling capacity to store large amounts of fuel to accommodate non-tenants desiring to purchase fuel in bulk and supports that only Airport tenants can purchase fuel in bulk @ \$.50 per gallon over cost. Also, non-tenants would not likely have the same fueling equipment, which is an issue.

Consensus of the Commission

- Asked the subcommittee to review the language for the 'Self-fueling' ordinance and with this input recommended staff re-write the Self-fueling ordinance in draft format for review by the Commission.
- Move forward with finalizing the Resolution Establishing Fuel Prices excluding the language that states, "staff would also like to add to this resolution Airport tenants that have self-fueling agreement in their lease may not buy fuel directly from the build storage tank at \$.50 cents a gallon over the cost the City pays for the fuel."

M/S Crane/Albright to move forward with finalizing the Resolution Establishing Fuel Prices at the Airport. Motion carried (5-0).

5B. Airport Budget 2009/10

Staff/Commission commented:

- Discussed graph comparison chart of average fuel sold in gallons for Jet A and Avgas 100LL for fiscal years 2005-2009
- According to the Revenue Guideline for the adopted 2009-10 Airport Budget, Airport rental/City Corporation Yard shows revenue in the sum of \$23,000. The Airport does not actually receive this income because the Corporation does work for the Airport in-lieu of rent.
- The posted actual year-to-date figures are accumulative/continuing and for purposes of tonight's discussion the figures are as of June 30, 2009. For purposes of clarity and understanding of the budget, expenditures/revenue, year end projections, and projections were categorized.
- Expenditure line item 291, General Government Service Charges - decreased from last year's budget.
- Expenditure line item 305, Building and Grounds Maintenance – more money was added this year. \$21,178 was spent in 2008-09; \$44,000 is in reserve, and \$50,000 was approved for the 2009/10 budget year. Money from this account will be used to make runway improvements and has precedence over other building/grounds maintenance projects. Other improvements/repairs include the access gate by the CalFire operation, as well as other necessary maintenance/repair projects staff has targeted.
- It was mentioned another repair is the hole in the fence by the Taylor Hangars.
- The FAA does fund for specific projects.
- Design and construction of an overlay on the runway is on the A.C.I.P. project list and slated to be completed within the next couple of years.
- Expenditure line item, 451, Aviation Fuels & Lubricants – questions concerning the 'actuals' for fiscal years 2005-2008 and projected actual for 2009; The volume of gas sold is consistent year to year; fluctuations in expenditures are attributed to the price of fuel.

5C. Airport Self Fueling Ordinance

This agenda was discussed in 5A. Staff will revise the document for review by the Commission at the next regular meeting. Staff is working with the City Attorney on the 'Self-fueling' ordinance.

6D. Taylor Hangar

Airport Manager Owen stated staff is working with the Planning Department to bring the Taylor hangars into compliance with the Airport Land Use Plan and Airport Hangar Policies and Procedures that requires hangars be used for aviation-related purposes. Currently, two of the eight hangars are not being used for aviation-related purposes even though Mr. Taylor contends they are being used as such. Staff is of the opinion that the fertilizer business and drug storage/medical supplies for disaster preparedness/City/County emergency purposes are not in compliance with the Airport Hangar Policy and Procedures and supports allowing City Council to make the final determination whether these tenants should be evicted.

The Taylor Hangar matter may involve some legal ramifications that would be handled by the City Attorney, particularly if there were prior verbal agreements made between former staff and Mr. Taylor, particularly with the Blue Drug tenant. Staff will continue to consult with the City Attorney and Planning Department staff and inform the Commission.

Commissioner Crane stated the Taylor Hangar non-compliance issue has been going on for a long time in spite of numerous meetings with staff, the Airport Commission and Mr. Taylor. He supports bringing this issue to fruition requiring an action.

There was discussion whether Mr. Taylor was turning away potential tenants having an aviation-related use.

It was the consensus of the Commission to recommend moving forward on requiring Mr. Taylor comply with Airport Hangar Policy and Procedures for the two non-aviation related use tenants.

There was a brief discussion concerning a fence encroachment issue by Redding Auto Body on Airport property to the north.

6. REPORTS

6A. CalStar – Planning Commission Meeting August 26 6:00 PM at City

Airport Manager Owen reported discretionary review of the Major Site Development Permit and Major Use Permit for the CalStar project was delayed until Caltrans is able to attend. The matter is scheduled for review by the Planning Commission at the regular meeting on August 26. The Commission is encouraged to attend.

6B. Helicopter Pad

The newly constructed transient helicopter pads are being used resulting in fewer problems with undesignated helicopter parking at the Airport.

6C. Compass Rose

A second better functioning Compass Rose is planned for future construction. This Compass Rose would be smaller.

6D. Airport Commission Vacancy

Airport Manager Owen indicated Commissioner Crane's term as Airport Commissioner expired June 30, 2009. The City Manager has requested those Commissioners remain on the Commissions until staff is done with reorganization of the City even though his/her term may have expired. No timeframe has not yet been instituted in this regard.

Eric Crane has prepared his application to be reinstated as an Airport Commissioner for another term.

Chair Deerwester stated serving on City Boards and Commissions is important and allows the public to participate in community affairs/issues and provide input.

6E. Storm Drain Rehabilitation Project

Airport Manager Owen reported bid openings were completed July 31 for the construction phase of the Airport Storm Drain Improvement project wherein City Council will award the contract at the regular August 5 City Council meeting. Not all the bid applications were properly completed; There were four 'responsive bidders.'

While the FAA will fund the project with two grants, the project will likely be completed in one phase as opposed to two.

6F. Runway Incursion

Staff advised a runway incursion recently occurred when a civil air patrol employee crossed the runway in a vehicle while an aircraft was departing from runway 15. Staff spoke with the pilot and commander of the civil air patrol squadron about the incident. Staff has worked with the civil air patrol and the sheriff's department to prevent this from happening in the future, as well as other groups by briefing them about the Airport layout and procedures for getting to the eastside of the field.

Staff intends to take precautionary measures with the use of cones and signs and/or other measures that would be of assistance.

John Eisenzopf was the pilot when with the runway incursion occurred.

6G. Airport Day

Airport Manager Owen reported on the events and some of the more popular activities that occurred during Airport Day. The public seemed to have had a good time. Plans will begin for preparation of another Airport Day for next year.

7. AGENDA ITEMS FOR NEXT REGULAR MEETING IN AUGUST

1. Self-fueling Ordinance (action/discussion)
2. Report Taylor Hangar
3. Report on fence encroachment issue by Redding Auto Body.
4. Report on Hangar painting project.
5. Report on storm drain project.
6. Report on Airport Maintenance and Ground repairs/Hangar Maintenance and future development.
7. Report on Calstar project.
8. Report on Compass Rose

8. COMMISSIONER COMMENTS

Commissioner Albright asked the Commission's opinion whether they would be amenable to meeting bi-monthly rather than monthly.

Chair Deerwester commented there are times throughout the year when the Commission does not meet due to upcoming holidays/vacations or when there is essentially no business to conduct.

The general consensus of the Commission was to choose whether to have bi-monthly meetings on a case-by-case basis and when there is important business to conduct.

Commissioner Sloan would like to see more discussion about hangar development. There is a need on the Airport for more hangars, noting the hangar list is long. He also supports having a facility to wash aircraft that is in a convenient location. He supports having additional discussions concerning implementation of a self-fueling facility.

The Commission supports giving more thought to future development of hangars and how this can be budgeted.

Staff commented a self-fueling facility is very costly and it is not a priority on the C.I.P. list at this time.

9. STAFF COMMENTS

Airport Manager Owen stated more maintenance to Airport facilities/grounds will get done when Gordon's replacement is on board.

Airport Assistant Ronk asked the Commission if they would like to plan a barbeque for former Airport Manager Richey.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 8:39 p.m.

Dottie Deerwester, Chair

Cathy Elawadly, Recording Secretary

