

TO: James L. App, City Manager  
FROM: Doug Monn, Public Works Director  
SUBJECT: Replacement Airport Fuel Facility  
DATE: July 16, 2013

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**NEEDS:** For the City Council to consider replacing the Airport Fuel Facility.

**FACTS:**

1. The existing Fuel Facility was constructed in 1982. Its primary components are:
  - Single-wall underground tanks and piping (remaining useful life unknown).
  - Transfer pumps, surface piping and filtration equipment that cannot dispense fuel at adequate rates to support high-volume users.

Note: Filtration systems are obsolete, with no replacement parts available.

Note: Fuel handling regulations exclude use of this equipment for military aircraft.

2. Upgrades to the above-ground pump and filter equipment would cost approximately \$150,000.
3. However, continued use of the existing tanks and underground equipment may be limited; regulatory agencies indicate less than five years use remains.
4. Should the tanks or plumbing leak or malfunction, requiring shutdown, a \$150,000 pump & filter upgrade cost would be wasted.
5. If a determination to replace the fuel station is made, cash is limited. Annual debt service up to \$50,000.00 per year could be accommodated.
6. Cal Trans may loan money at a rate of 3.8% with a term of seventeen years. \$50,000 annually would service approximately \$600,000 of debt.
7. Removal of the existing tanks would be included in the FAA-funded apron replacement project, now anticipated for 2015/2016.
8. The Airport Advisory Committee, at the June 27 meeting reviewed the project information and unanimously recommended City Council approval of Facility replacement.

**ANALYSIS &  
CONCLUSION:**

Four possible locations for a new above-ground facility were identified and presented to the Airport Advisory Committee. The Committee requested line drawings and cost estimates for locations #1 and #4 with site #4 being the preference. Location Alternatives were presented as follows (see Attachment #1).

Site #1 (Adjacent to current facility, Blue Sky Ramp)

|                        |           |
|------------------------|-----------|
| • Basic Facility Cost: | \$502,700 |
| • Design               | \$ 45,000 |
| • Bid Costs            | \$ 3,000  |
| • Legal                | \$ 5,027  |
| • Project Management   | \$ 8,680  |

|                     |                  |
|---------------------|------------------|
| • Testing           | \$ 7,000         |
| • Contingency (10%) | <u>\$ 56,441</u> |
| <b>TOTAL:</b>       | <b>\$627,848</b> |

Committee Finding: Originally considered the most favorable location because of close proximity to utilities and existing asphalt, the committee determined the increase in flight school activity and the vehicle and aircraft traffic on the adjacent taxiway would produce congestion in the area beyond acceptable levels.

Site #2 (Ultimate Master Plan Location – East side of Ramp @ Taxiway C & E)

|   |                  |
|---|------------------|
| • Basic Facility Cost:                        | \$502,700        |
| • Design                                      | \$ 45,000        |
| • Additional Apron Construction (18,000 s.f.) | \$160,000        |
| • Additional Utilities Extension (500 ft.)    | \$ 25,000        |
| • Bid Costs                                   | \$ 3,000         |
| • Legal                                       | \$ 6,877         |
| • Project Management                          | \$ 14,240        |
| • Testing                                     | \$ 7,000         |
| • Contingency (10%)                           | <u>\$ 76,382</u> |
| <b>TOTAL:</b>                                 | <b>\$840,199</b> |

Committee Finding: There is general support for this site as the ultimate location for the fuel facility, as specified in the Airport Master Plan. Drawbacks currently include the increased cost to extend utilities an additional 500 feet across the existing taxiway and apron to the site and an estimated 18,000 square feet of apron area that would have to be constructed to accommodate the required taxiway setbacks. There is also concern over the increase in vehicle and pedestrian traffic across the active taxiway to access this site.

Site #3 (Proposed for Air Tankers – East side of Taxiway B @ Taxiway C)

|   |                  |
|---|------------------|
| • Basic Facility Cost:                        | \$502,700        |
| • Design                                      | \$ 45,000        |
| • Additional Apron Construction (18,000 s.f.) | \$160,000        |
| • Additional Utilities Extension (1,000 ft.)  | \$ 50,000        |
| • Bid Costs                                   | \$ 3,000         |
| • Legal                                       | \$ 5,687         |
| • Project Management                          | \$ 9,300         |
| • Testing                                     | \$ 7,000         |
| • Contingency (10%)                           | <u>\$ 73,269</u> |
| <b>TOTAL:</b>                                 | <b>\$855,956</b> |

Committee Finding: This site was initially chosen for its closer proximity to the main runway and the Cal Fire Air Attack Base. Convenience to this major fuel user and to inbound traffic from the main runway was seen as a potential benefit. After further discussion, the committee determined the increased distances to connect utilities and for travel to the site, as well as the added apron construction which would be required, far exceeded the intended benefits or the available budget.

Site #4 (South of old hangar @ Taxiway D)

|  |                  |
|--|------------------|
| • Basic Facility Cost:                     | \$502,700        |
| • Design                                   | \$ 45,000        |
| • Additional Utilities Extension (500 ft.) | \$ 25,000        |
| • Bid Costs                                | \$ 3,000         |
| • Legal                                    | \$ 5,277         |
| • Project Management                       | \$ 8,680         |
| • Testing                                  | \$ 7,000         |
| • Contingency (10)%                        | <u>\$ 59,666</u> |
| <b>TOTAL:</b>                              | <b>\$656,323</b> |

Committee Finding: After committee discussion, this location emerged as the most favorable. Existing apron reduced the amount of new asphalt construction that would be required. Utilities are located within 500 feet but in an open area that would significantly reduce the cost of extension. The location can support a considerable increase in traffic especially that of large aircraft and vehicle (fuel tankers) associated with the facility operation and not impact surrounding airport operations. The development of new aviation services to the west may find this location to be more complementary to any future expansion of airport operations.

The Committee considered Site #4 as an ‘interim’ solution adequate for twenty years (estimated life expectancy of the equipment) or until airport development and fuel sales are adequate to cover the cost of an installation consistent with that referenced in the Airport Master Plan. As a result they did not recommend amending the Master Plan at this time.

**FISCAL IMPACT:**

City Council has two options to finance the fuel facility. The Airport Fund contains approximately \$1.8 million, \$975,000 of which is planned to cover the City’s matching fund requirement for Capital Improvement Projects over the next ten years. Should the City choose to pay cash for the fuel facility the Airport Fund would be reduced to \$1,150,000.

A second option is to finance the fuel facility using Cal Trans’ funds at 3.8% for seventeen years. Annual debt service on a \$600,000 loan can be covered by fuel fees. Any difference between final facility cost and the amount that can be financed (\$600,000) could be appropriated from the Airport Fund. This would preserve \$1,750,000 for other capital projects.

**POLICY REFERENCE:**

California Code of Regulation, Title 23; Air Transport Association (ATA) Specification 103; CFR 14 Federal Air Regulations, Part 139.

**OPTIONS:**

- a. That City Council approve the recommendation of the Advisory Committee to:
  1. Replace rather than upgrade the existing fuel equipment;

2. Approve the recommended location as an interim location until such time as Airport Development and fuel sales warrant replacement consistent with the Airport Master Plan;
  3. Approve the attached Resolution authorizing staff to seek funding from Cal Trans Aviation Funds.
- b. Amend, modify or reject the above option(s).

**ATTACHMENTS:**

1. Site Location Map
2. Facility Inspection Notes (12/27/12)
3. County e-mail (6/6/13) outlining process
4. Site location drawings
5. Basic Facility Cost Estimate
6. Council Resolution

**FACILITY LOCATION ALTERNATIVES**



FACILITY NAME: Paso Robles Jet Center

ADDRESS: 3115 Taxway V, Paso Robles

**SUMMARY OF OBSERVATIONS/VIOLATIONS**

- No violations of underground storage tank, hazardous materials, or hazardous waste laws/regulations were discovered. SLO CUPA greatly appreciates your efforts to comply with all the laws and regulations applicable to your facility.
- Violations were observed/discovered as listed below. All violations must be corrected by implementing the corrective action listed by each violation. If you disagree with any of the violations or corrective actions required, please inform the CUPA in writing.

ALL VIOLATIONS MUST BE CORRECTED WITHIN 30 DAYS OR AS SPECIFIED. CUPA must be informed in writing with a certification that compliance has been achieved. A false statement that compliance has been achieved is a violation of the law and punishable by a fine of not less than \$2,000 or more than \$25,000 for each violation. Your facility may be reinspected any time during normal business hours.

You may request a meeting with the Program Manager to discuss the inspection findings and/or the proposed corrective actions. The issuance of this Summary of Violations does not preclude the CUPA from taking administrative, civil, or criminal action.

**VIOLATIONS**

| NUMBER           | DEGREE | CORRECTIVE ACTION REQUIRED   |
|------------------|--------|--|
|                  |        | <u>Notes:</u>  |
|                  |        | <u>• 5 year UST Lining Inspection due on or before Dec 22, 2013. The tank lining inspection work plan requires prior approval. Have the selected contractor submit their work plan to your CUPA Inspector.</u> |
|                  |        | <u>• Recommend conducting the annual UST inspection earlier eg November to avoid possible interruption of operating process.</u>   |
| <b>COMMENTS:</b> |        |  |

Inspected By: [Signature]

Date: 12/27/12

Facility Rep Name: \_\_\_\_\_

Signature: [Signature]



Roger,

Currently, there is no regulatory mandate to remove the single walled underground tanks at the airport. For a time, the State Water Board was indicating that they were contemplating a sunset date for these tanks (removal), but then the recession hit. It is possible as the economy recovers and improves the issue of removing single walled tanks will be revisited.

The proposal I saw was for a rather extensive dispenser or tank top upgrade at great expense. The single walled tanks are due for their five year interior lining inspection by December 22, 2013. If the tank(s) do not pass the lining test and they have been previously repaired, they can not be repaired again and will have to be removed. If the tank(s) do pass testing, their interior lining has to be inspected again in five years and every five years thereafter, in addition to the biannual tank integrity testing. My expressed concern was investing in the upgrade, then the tanks have to be removed because they did not pass the mandated testing. (The tanks did pass the biannual integrity testing in December 2012.)

The decision to invest in the upgrade and trust that the tanks will pass and continue to pass testing is up to you or the powers that be.

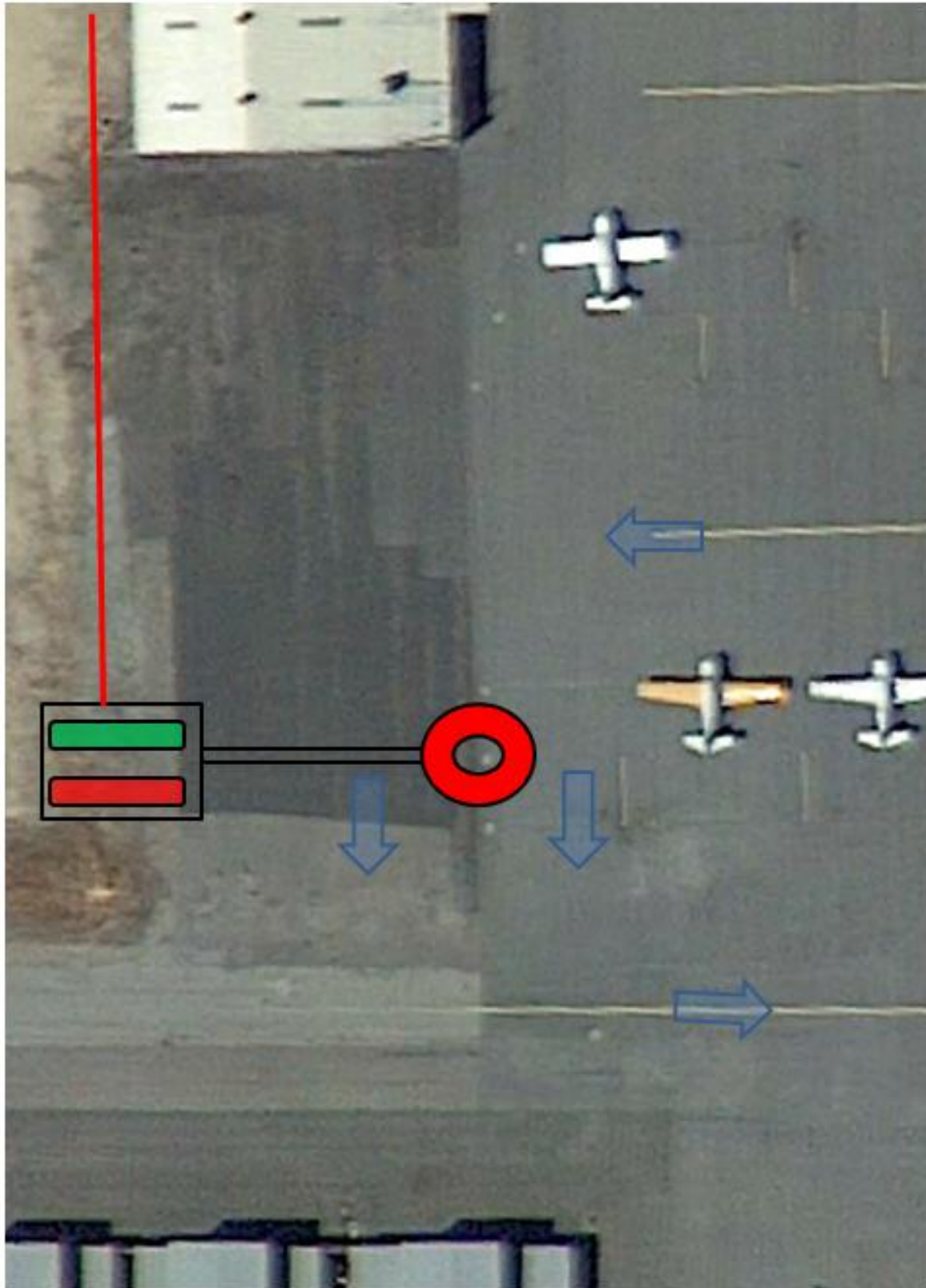
According to the tank forms on file, those tanks were installed in 1982 and met the 1998 upgrade. There are only a very few single-walled, cathodically protected in the county and these tanks are the only ones (including Mr. Lilly's tank) that use statistical inventory reconciliation. As far as I know, the tanks are sound.

Please let me know if you need the sections in California Code of Regulation Title 23 that relate to the single walled tanks. I can email them to you.

Best Regards,

Linnea Faulkner  
Environmental Health Specialist III  
San Luis Obispo County Environmental Health Services  
(805) 781-4917

SOUTH RAMP FUEL LOCATION





**Paso Robles Airport May, 2013**

**Construction Cost Estimate**

| <b>Bid Item</b>                          | <b>Description</b>  | <b>Estimated Quantity</b> | <b>Unit</b> | <b>Unit Price</b> | <b>Total</b>     |
|--|---|---------------------------|-------------|-------------------|------------------|
| 1  | Mobilization  | 1.0                       | LS          | \$34,000.00       | \$34,000.00      |
| 2  | Sawcut  | 250.0                     | LF          | \$2.00            | \$500.00         |
| 3  | Clearing, Grubbing, and Removals  | 1,100.0                   | SY          | \$1.00            | \$1,100.00       |
| 4  | Excavation  | 1,500.0                   | CY          | \$10.00           | \$15,000.00      |
| 5  | Embankment  | 1,700.0                   | CY          |                   |                  |
| 6  | Subgrade Preparation  | 900.0                     | SY          | \$10.00           | \$9,000.00       |
| 7  | Unsuitable Subgrade Allowance   | 1.0                       | T&M         |                   |                  |
| 8  | Aggregate Base  | 600.0                     | TON         |                   |                  |
| 9  | Asphalt Pavement  | 200.0                     | TON         |                   |                  |
| 10                                       | PCC Flatwork  | 3,900.0                   | SF          | \$15.00           | \$58,500.00      |
| 11                                       | PCC Flatwork (tank support pad)   | 1,350.0                   | SF          | \$20.00           | \$27,000.00      |
| 12                                       | Protection Bollard  | 44.0                      | EA          | \$400.00          | \$17,600.00      |
|  | Pre-Assembled Fuel Tank, Above Ground:<br>20,000 Gallon, Jet-A. pump,           |                           |             |                   |                  |
| 13                                       | hoses, fuel dispenser, filter and valving                                       | 1.0                       | LS          | \$150,000.00      | \$150,000.00     |
|  | Pre-Assembled Fuel Tank, Above Ground:<br>12,000 Gallon, Av-Gas. Two pumps, two |                           |             |                   |                  |
| 14                                       | hoses, fuel dispenser, filter and valving                                       | 1.0                       | LS          | \$130,000.00      | \$130,000.00     |
| 15                                       | Remove & Dispose 12,000 Gal. Fuel Tank  | 4.0                       | EA          |                   |                  |
| 16                                       | Electrical Service Upgrades - Utility   | 1.0                       | LS          | \$20,000.00       | \$20,000.00      |
|  | Elec. & Com. Conduit, 1 1/2"  |                           |             |                   |                  |
| 17                                       | Dia., Encased, with Conductor   | 500.0                     | LF          | \$15.00           | \$7,500.00       |
| 18                                       | Communications Junction Box   | 1.0                       | EA          | \$2,000.00        | \$2,000.00       |
| 19                                       | Electrical Junction Box   | 1.0                       | EA          | \$2,000.00        | \$2,000.00       |
|  | Point of Sale, Fuel Management  |                           |             |                   |                  |
| 20                                       | Equipment / System  | 1.0                       | LS          | \$10,000.00       | \$10,000.00      |
| 21                                       | Tank Leak Detection Serving Both Tanks  | 1.0                       | LS          | \$5,000.00        | \$5,000.00       |
| 22                                       | Fuel Spill Kit, Extinguisher, Labeling  | 1.0                       | LS          | \$1,000.00        | \$1,000.00       |
| 23                                       | Grounding Lugs, Grounding Reels   | 1.0                       | LS          | \$2,500.00        | \$2,500.00       |
| 24                                       | Pavement Marking  | 1.0                       | LS          |                   |                  |
| 25                                       | Pole-Mounted Area Light   | 1.0                       | LS          | \$5,000.00        | \$5,000.00       |
| 26                                       | Testing and Start-Up  | 1.0                       | LS          | \$5,000.00        | \$5,000.00       |
| <b>Total Estimated Construction Cost</b> |   |                           |             |                   | <b>\$502,600</b> |

RESOLUTION NO. 13 – XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES AUTHORIZING THE SUBMITTAL OF AN APPLICATION AND EXECUTION OF AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, FOR A STATE AIRPORT LOAN.

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WHEREAS, the California Department of Transportation, pursuant to the Public Utilities Code section 21602, provides loans for the improvement and operation of airports; and

WHEREAS, the California Department of Transportation requires the City Council to adopt a resolution authorizing the submission of an application for a state airport loan;

THEREFORE, BE IT RESOLVED that the City Council of the City of El Paso de Robles, State of California:

1. Authorizes filing an application for a state Airport Loan for this project.
2. Authorizes execution of an AIP Matching Grant Agreement for this project.
3. Certifies the City's ability to repay the state loan for this project; and

BE IT FURTHER RESOLVED, that the City Council of the City of El Paso de Robles does hereby authorize James L. App, City Manager, to sign any documents required to apply for and accept these subject funds on behalf of the City of El Paso de Robles.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 16<sup>th</sup> day of July, 2013, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk