



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-1

BOARD MEMO 2023-11

Meeting Date: March 15, 2023

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: REVIEW AND APPROVE REQUEST FROM CARSON TAHOE EXECUTIVE, LLC TO (1) CONSTRUCT A BULK FUEL FACILITY ON THEIR LEASE PARCEL (APN 005-011-83), (2) TO UTILIZE A FUEL TRUCK AS A TEMPORARY FUEL FACILITY WHILE OBTAINING PERMITS AND CONSTRUCTION OF A PERMANENT FUEL FACILITY (TRUCK-TO-TRUCK) (3) ESTABLISH A FUEL FLOWAGE RATE AND (4) IF NECESSARY AMEND THE LEASE TO ALLOW FUEL TRANSFERS FROM THE TEMPORARY FUEL TRUCK/FACILITY; DETERMINE CONDITIONS AND COMPLIANCES.

Staff Summary: Carson City Municipal Code Title 19.02.020.340 requires Airport Authority approval for any improvement at the airport that requires a permit from the City. Carson Tahoe Executive is seeking approval for the development of a Bulk Fuel Facility, so they can pursue the necessary permits from all applicable regulatory authorities. All permits must be obtained for construction within 120 days and construction must be completed within 2 years of approval, additional time may be requested for unavoidable delays out of the control of Carson Tahoe Executive. The Approval of the Carson City Airport Authority is still subject to all applicable federal, state, and local regulations and does not take precedent over any other regulatory authority. The truck-to-truck operation as a temporary fuel facility is a proposal for a temporary approval directly tied to the construction of the fuel facility. If the tenant fails to construct the fuel farm in the approved time Final frame, the temporary truck-to-truck fuel facility approval will be revoked. The fuel flowage fee proposed is the one established in the airport fee schedule effective July 2021 at \$0.05 per gallon. The lease permits sales of fuel from a fuel facility and may need to be amended if the truck-to-truck transfer is approved.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move to approve the bulk fuel facility CTE as set forth in their engineered plans and exhibits with a compliance requirement:

1. That copies of permits from other agencies be provided to the Airport Manager.
2. That approvals from the relevant fire officials be obtained and provided to the Airport Manager prior to operation of the facility.
3. That environmental approvals from the relevant agencies be provided to the Airport Manager prior to operation of the facility.
4. Such other permits, approvals or information recommended by the Airport Manager.

I move to approve the fuel flow rate of \$0.05/gallon for all fuel delivered to the CTE bulk fuel facility.

If the proposal for the truck-to-truck operation is approved, it should be approved subject to the following conditions:

1. Copies of all permits from other agencies be provided to the Airport Manager prior to initiating the operation.
2. That approvals from the relevant fire officials be obtained and provided to the Airport Manager prior to initiating the operation.
3. That environmental approvals from the relevant agencies be provided to the Airport Manager prior to initiating the operation.
4. Operations will not begin until after submission for a building permit for the construction of the permanent fuel facility with Carson City.
5. Only for the duration of the construction of the permanent fuel facility.
6. If construction of the permanent fuel facility ceases for any reason, the approval for the temporary truck-to-truck operation is immediately revoked.
7. Execution of a lease amendment to accommodate the truck-to-truck operation if required.
8. The completed truck-to-truck operations manual is submitted and approved by the Airport Manager.
9. Subject to any noise abatement requirements established by the Airport Manager at any time.
10. CTE must improve any areas the fuel trucks will be operating at their own expense and any improvements will be subject to CCAA approval.

CCAA'S Strategic Goal

Maintain financial stability.
Support economic activity.

Previous Action and Executive Summary

Carson Tahoe Executive has requested the following:

1. Request for approval to construct a bulk fuel facility.
2. Request for approval to distribute fuel via temporary truck-to-truck transfer while permitting and constructing a permanent fuel facility.
3. Propose a fuel flowage rate.

The supporting materials CTE submitted define all applicable regulations and how they intend to comply with each regulation. CTE also included a letter of support from their fuel provider, Epic Fuels. A reputable fuel provider would not support a fuel project they did not feel was compliant with all regulations. The Draft Truck-To-Truck operations manual CTE submitted is similar to the manual they have at the Reno International Airport for their ongoing temporary truck-to-truck operation that was approved by the Reno-Tahoe International Airport and the Airport Rescue and Fire Fighting department. The truck-to-truck operation here in Carson would be different because it would utilize temporary containment instead of a pre-existing containment area.

CTE has submitted sufficient documentation to support a plan to construct a bulk fuel storage facility and operate a temporary truck-to-truck operation, subject to compliance with all regulations. The approval of the Carson City Airport Authority would not supersede any other government regulation. CTE will be subject to approvals from other agencies, including:

1. Carson City Fire Department
2. Carson City Building Department
3. Nevada Department of Agriculture – Weights & Measures
4. Federal Aviation Administration (For Development of Fuel Farm)

Copies of all permits and approvals from all other relevant government agencies must be provided to the Airport Manager prior to the start of operations. If at any point CTE is found to be operating in violation of any regulation, they should cease fuel operations immediately.

Fuel delivery trucks will be operating on areas of the airport that are not on the CTE lease parcel. CTE must improve any areas the fuel trucks will be operating at their own expense and any improvements will be subject to CCAA approval. CTE will also be liable for any damages to airport property caused by the fuel operations.

The fuel flowage fee proposed is the one established in the airport fee schedule effective July 2021 at \$0.05 per gallon. This fee is nonnegotiable because the airport must charge all operators the same rates and fees.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share: \$0.05 fuel flowage fee on fuel sales

Is it currently budgeted?

No

Alternatives

Do not approve the request to build a bulk fuel storage facility, fuel flowage free, and/or the truck-to-truck operations.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)