

Agenda Report



MEETING DATE: Tuesday, November 12, 2024

TO: City Council

FROM: AIRPORT DIRECTOR WILLIAMS
AIRPORT OPERATIONS MANAGER ROSAS

SUBJECT: APPROVAL OF MUNICIPAL AIRPORT PURCHASE ORDER
FOR SOLE SOURCE VENDOR OF HIGH-OCTANE
UNLEADED AVIATION FUEL

RECOMMENDED ACTION:

It is recommended the City Council approve the Municipal Airport to issue a sole source fuel supplier agreement, with Vitol Fuels, Inc., of Houston, Texas to purchase high octane unleaded aviation fuel for resale and authorize the City Manager to execute the Agreement. The fuel supplier agreement is valid effective December 1, 2024, expires November 30, 2026, and is funded via the Airport Enterprise Fund fuel expense account.

BACKGROUND:

Owners and operators of more than 167,000 piston-engine aircraft operating in the United States rely on aviation gasoline (AvGas) to power their aircraft. AvGas is the only remaining lead-containing transportation fuel. Although lead in AvGas prevents engine damage, lead is a toxic substance that can be inhaled or absorbed in the bloodstream. The FAA, EPA and industry are partnering to remove lead from AvGas. AvGas emissions have become the largest contributor to the relatively low levels of lead emissions produced in this country.

Over the last ten years the Municipal Airport has continued to monitor the development of high octane, unleaded fuel formulations. The result of these efforts has identified Vitol Fuels Incorporated distribution of General Aviation Modifications, Incorporated's (GAMI, Inc) G100UL as a supplier of operationally safe alternatives to leaded AvGas.

General Aviation Modifications, Incorporated has obtained Supplemental Type Certificate approval for G100UL, an unleaded high-octane aviation gasoline determined through the FAA STC process to be an acceptable alternative.

GAMI has teamed with fuel refiner Vitol, Inc. to develop a production capability is the sole provider of high-octane unleaded aviation fuel that can be utilized in virtually all piston engine aircraft.

The City of Watsonville is uniquely positioned to continue to provide unleaded aviation fuel for sale to based flight schools, aircraft owners, operators and transient pilots. The Municipal Airport will continue to offer AvGas as an option given the substantial number of aircraft that require such fuel.

It is estimated that AvGas leaded fuel purchases will be reduced by as much as 30% due to the introduction of high-octane unleaded aviation fuel as an available fuel at the airport.

DISCUSSION:

The Federal Aviation Administration (FAA), Environmental Protection Agency (EPA) and industry have partnered to remove lead from aviation gasoline (AvGas) as AvGas emissions have become the largest contributor to the relatively low levels of lead emissions produced in this country. The California state Senate passed a bill that would prohibit leaded aviation fuel sales starting in 2031. Since 2021 the Municipal Airport has provided a low octane unleaded AvGas fuel alternative that can only be used by a small portion of the tenant base and transient aircraft.

STRATEGIC PLAN:

Approving the supplier agreement and the subsequent purchase and resale of Vitol Fuels, supports the Municipal Airport's commitment to lessen general aviation's environmental impact on the Airport, Community and the City.

2-Infrastructure & Environment

FINANCIAL IMPACT:

The financial impact of this proposed purchase order is net neutral, as the unleaded fuel purchased will substitute a yet to be confirmed amount of AvGas purchases for FY2024-2025.

ALTERNATIVE ACTION:

The City Council may choose not to approve the sole source agreement. Leaded AvGas and Low Octane Unleaded AvGas sales will not be reduced.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1) Aviation Consumer article, October 2024