

Aviation Services Rates & Fees

September 22, 2011



Goal:

- Revision of Policy 621.1
 - Increased flexibility for staff to adapt business models to market forces
 - Continued alignment with revised goals, as outlined in policy
 - Stable or improved financial performance of enterprise portion of the District

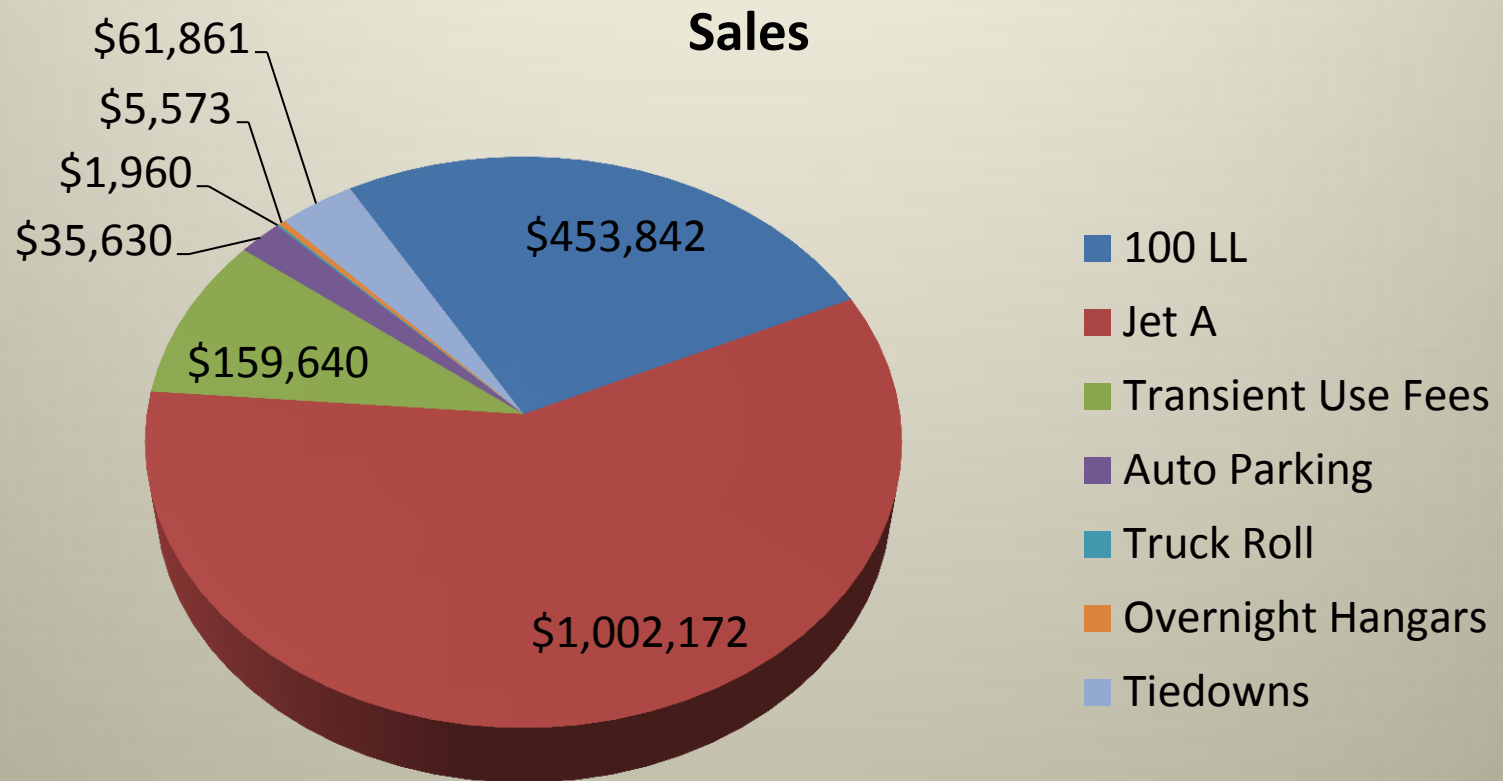
Process:

1. Review current policy and introduce concepts (June 2011)
2. Revise policy goals (July 2011)
3. Discuss temporary policy elements (Sept.-Oct. 2011)
4. Develop, test and evaluate policy proposed policy concepts. (Oct. 2011-Sept. 2012)
5. Propose final policy (Fall 2012)

Assumptions:

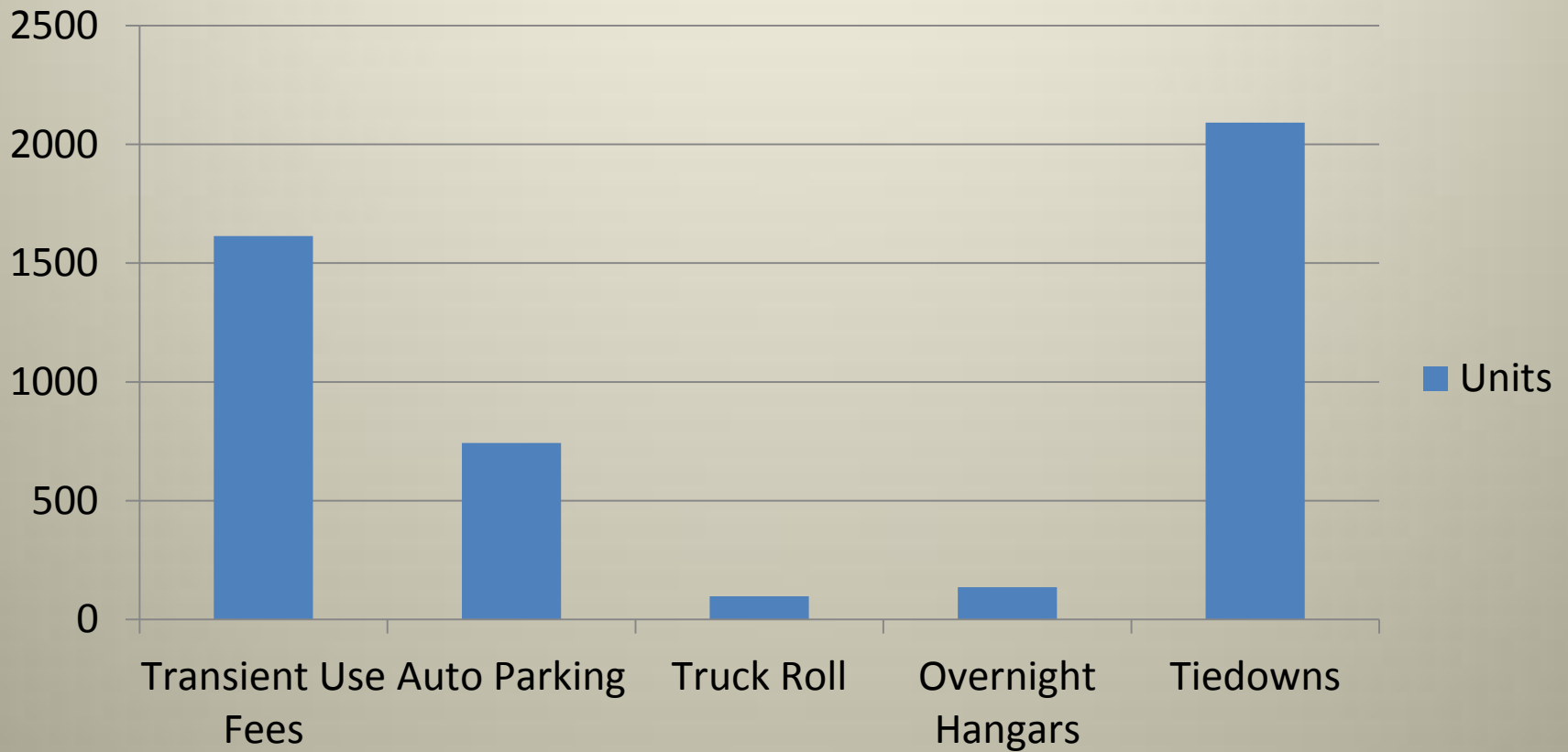
- Changes to price and availability of services are targeted to existing customers and will not generate additional traffic.
- A relationship exists between TRK fuel price and decision to purchase (and quantity)
- Customers would rather pay for fuel than a facility use fee.
- Customer satisfaction is linked to value received from purchase of goods and services as well as price paid.
- Corporate and fractional operators have sophisticated fuel planning capabilities and will tanker fuel when economically and operationally beneficial.
- Contact with customer by staff is beneficial to goals and objectives of the District.

Total Sales: June 1, 2010-May 31, 2011

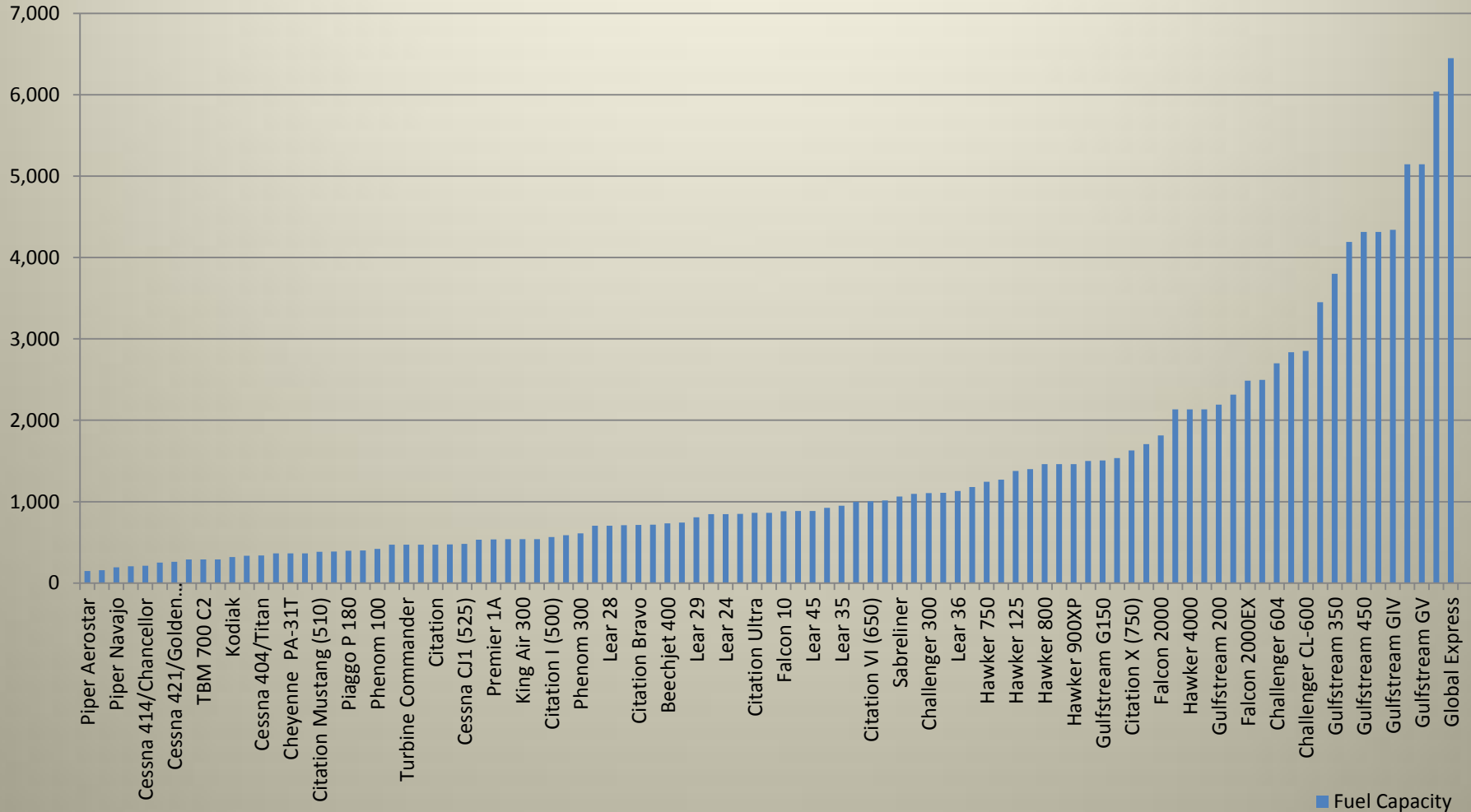


* Truck roll fees average \$5000/ year.
Lower sales during this period due to self serve fuel island construction.

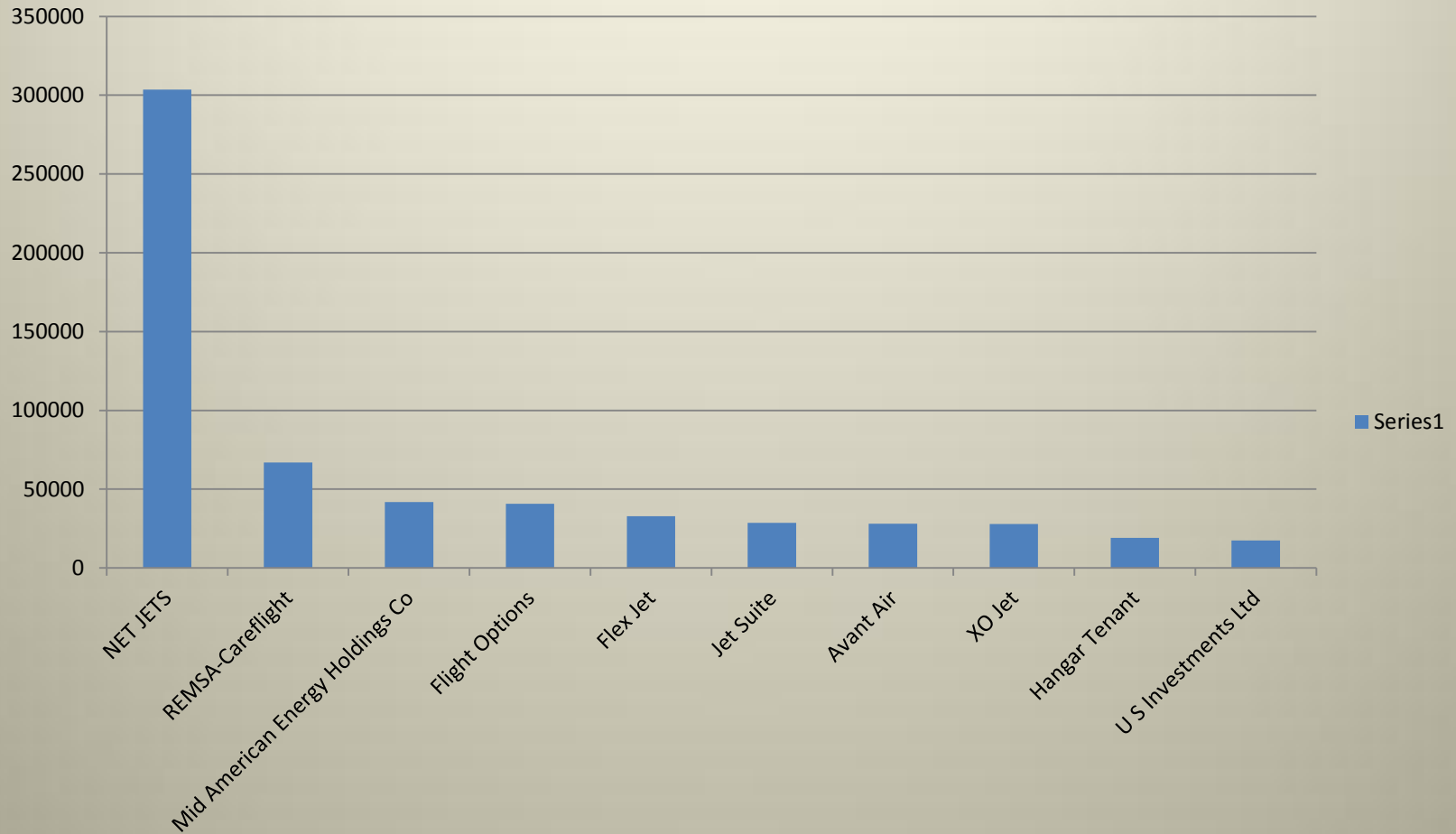
Product and Service Units Sold: 6/1/10-5/31/11



Aircraft Fuel Capacity

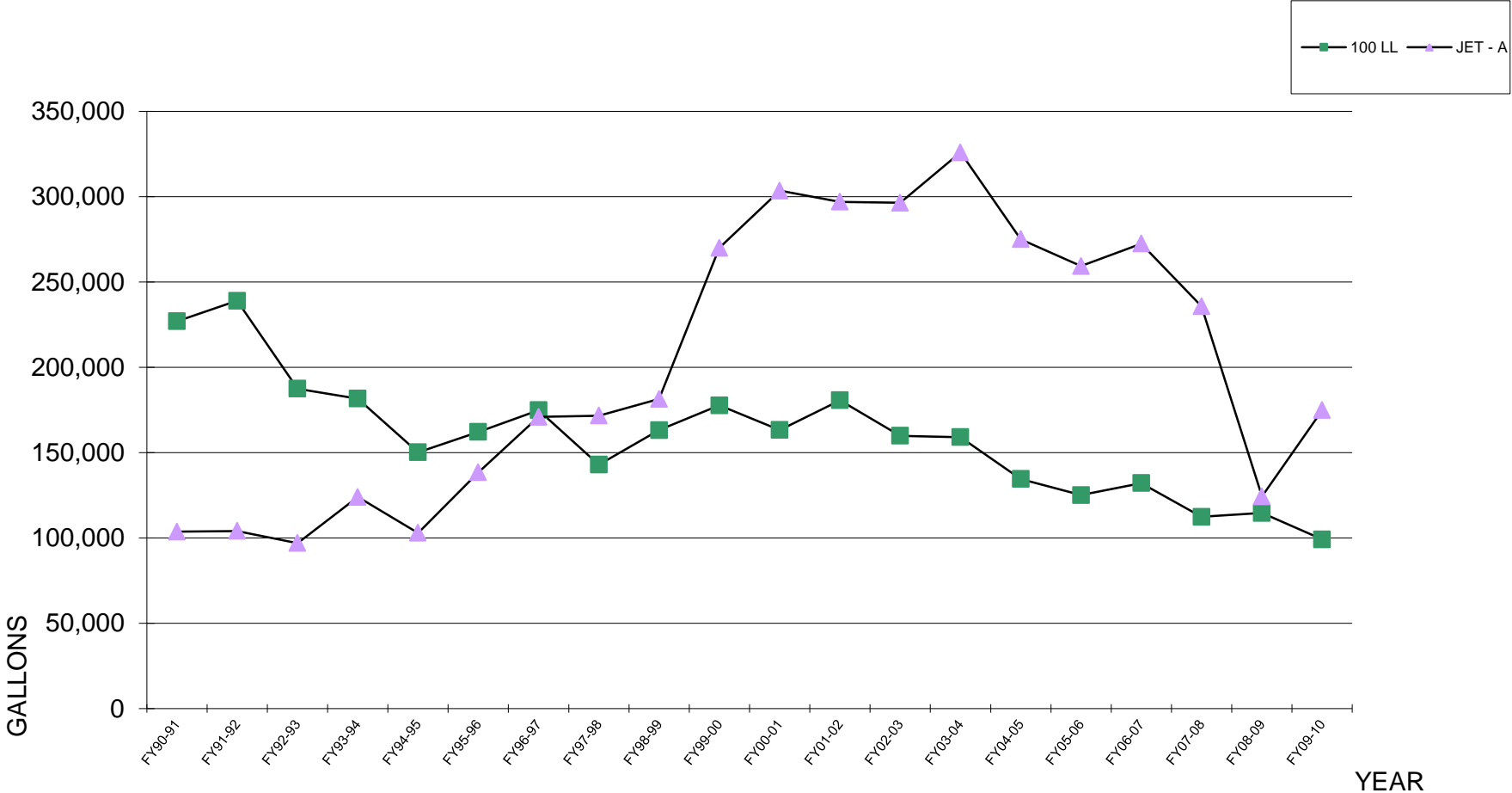


6/1/10-5/31/11 Total Jet Fuel Sales (\$) By Customer



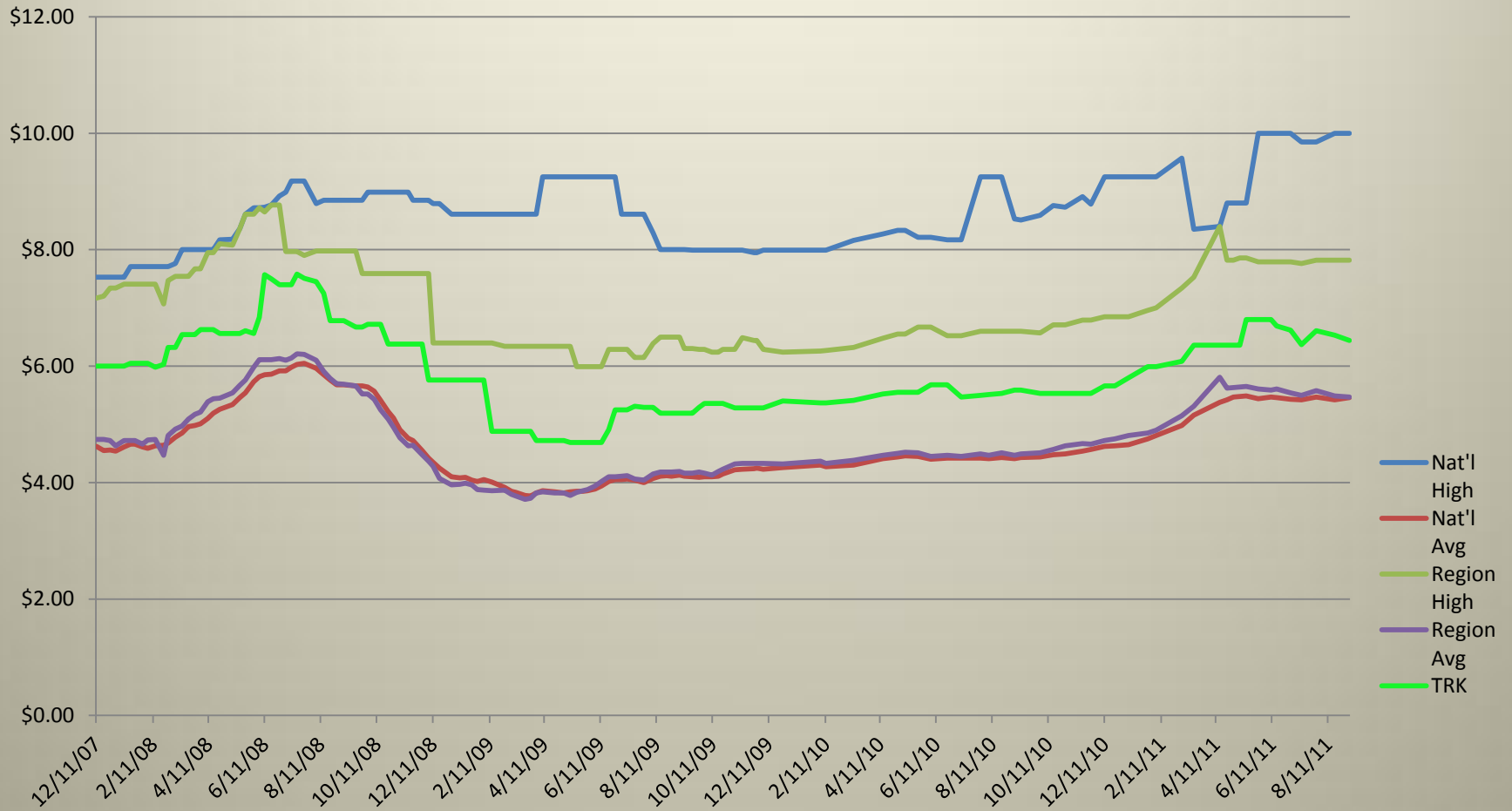
Truckee Tahoe Airport. Connected.

FUEL SALES IN GALLONS FY 1990-91 THROUGH FY 2009-10



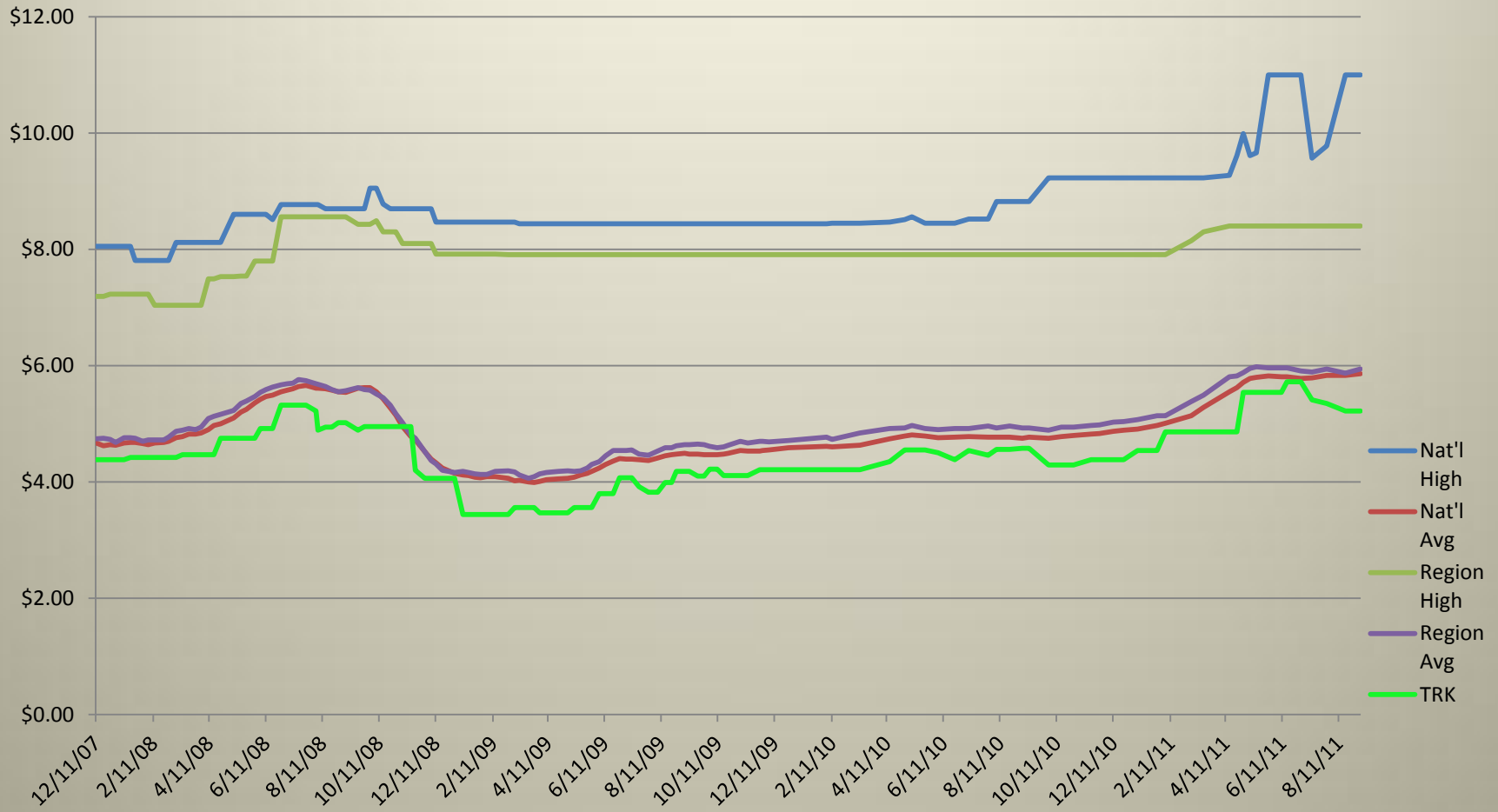
Truckee Tahoe Airport. Connected.

Jet Fuel Retail Price: 12/07-9/11



Truckee Tahoe Airport. Connected .

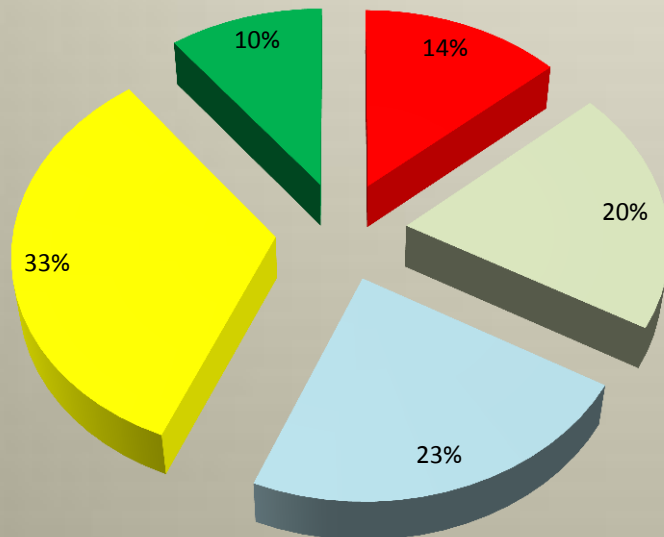
100LL Retail Price: 12/07-9/11



Transient Use Fees

Revise tiers and pricing

- 5 tier system, fees established by management
- Fees may be waived or reduced with minimum fuel purchases
 - Fuel minimums established to maintain aircraft performance, as necessary
- Begin overnight charges on first night?



Tier	Aircraft MTOW	Count of Types
1	5500-8499	13
2	8500-12499	19
3	12500-19999	22
4	20000-49999	32
5	50000+	10
Total		96

Fuel Pricing: Utilize margin ranges to provide management with greater flexibility to optimize pricing in accordance with customer demand, seasonal

Current: Fixed margins

\$0.50 100LL

\$2.50 Jet A

Proposed: General Manager set prices within margin ranges.

\$0.35-\$1.50 100LL

Price differential for self serve and full service or truck roll

\$1.00-\$4.00 Jet A

Type 5 Aircraft Operation

Current:

TUF +no fuel \$200

Scenario X:

TUF (waived) + minimum fuel (200 gal @ \$2.00 margin) \$400

*May avoid reposition= other off airport positive
economic impact + overnight fees

*May purchase more fuel or services

Type 3 Aircraft Operation

Current:

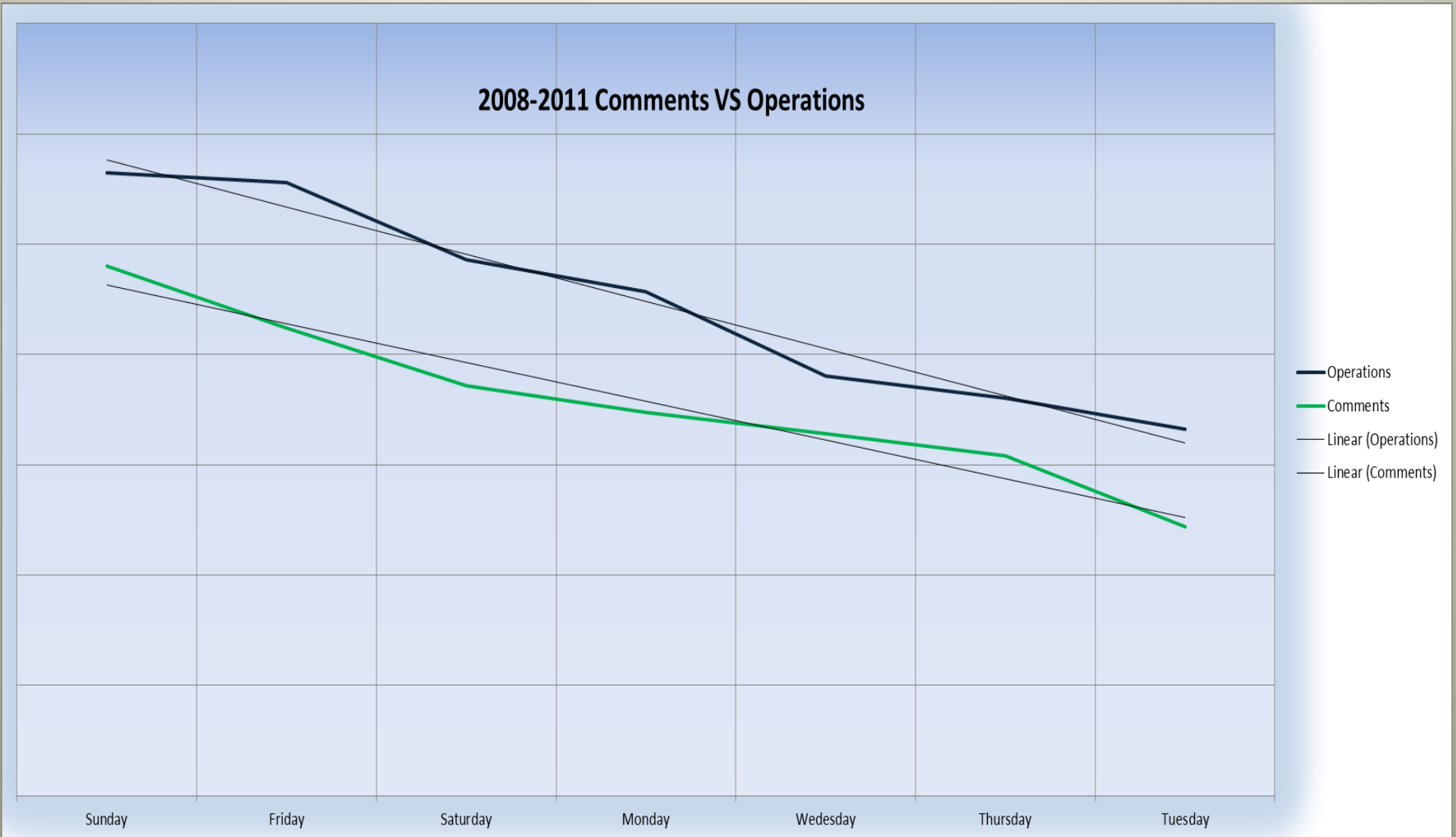
TUF \$50 + 60 gals Jet A (\$2.50 margin) \$150= \$200

Scenario Y:

TUF \$25 (reduced 50%)+100 gals Jet A minimum to reduce (\$2.00
margin)= \$225

*Model success driven by volume of sales

Demand-Based Pricing



Key policy areas

Business Area	Proposed Method	Sample Rates
Fuel Pricing	Margin set by management within established range	Margin range 100LL \$.35-\$1.50 Jet A \$1.00-\$4.00
Tiedowns	CPI increase (minimum 7.1%) NTE 25% Max	Single Engine Overnight CPI \$8 Single Engine Overnight @ 25% \$9 Type 5 Aircraft @ CPI \$80 Type 5 Aircraft @ 25% \$95
Transient Use Fees	Staff revision of TUF schedule	\$25- \$250
Auto Parking	CPI increase (minimum 7.1%) NTE 25% Max	Auto Annual @ CPI \$321 Auto Annual @ 25% \$375
Lavatory, GPU & Tug Service	Market-Set by management	\$75/ Lavatory service
Overnight Hangars	CPI increase (minimum 7.1%) NTE 25% Max	T Hangar @ CPI \$32 T Hangar @ 25% \$38
Fuel Truck Roll	Price differential self/full serve	TBD