



THE CI

MERCED

To: The Honorable Mayor and City Council
From: Stephanie R Dietz, Interim City Manager
Date: August 7, 2020
Re: City Council Information Report



FLIGHT SCHEDULE CHANGES

Boutique Air is making adjustments to its flight schedule at the Merced Regional Airport effective Mon., Aug. 10. This is in response to changes in passenger demand resulting in part from COVID-19.

The total number of flights will remain unchanged. Underperforming flight times will be changed to times shown to have higher customer demand. There will be 14 flights each week to Sacramento International Airport, and 14 flights a week to LAX. See the attached information for more details.

PUBLIC WORKS NEWS

This fire hydrant replacement job included the extra work needed to replace an old “Leaded TEE” with a new TEE, plus add a new isolation valve. A “Leaded TEE” comes from an era, prior to rubber gaskets, where water-tight connection joints were sealed by lead. The leaded joints are a common leak point on these 50-plus year-old-pipes.

The older hydrants lacked isolation valves, so if it had to be repaired or replaced, the entire area for several blocks in all directions had to be shut down and dewatered. Anytime an area is dewatered it is vulnerable to contamination.



The old hydrants are “dry barrel” style. This means the control valve for the hydrant operates below grade and the hydrant sits empty when not in use. All new hydrants are “wet barrel”. These new hydrants allow the Fire Department to connect onto a hydrant that is already in use without stopping flow. The time savings equates to potential life savings.

Public Works replaces 25 dry barrel hydrants per year. The department replaces about 25 hydrants that are struck by vehicles throughout the year.

Well Site #20 (Tyler @ Mission)

Clark Bros. Inc. is installing stormwater basin percolation lines at the site.



Water Well #21 (Bellevue @ G Street)

Hobbs Construction Inc. is paving the well site.



INSPECTION SERVICES REPORT

Please find attached the Inspection Services biweekly report.

SUPPORT SERVICES REPORT

Please find attached the Support Services monthly report.

SAVE THE DATE

Aug. 17 – Council meeting

Sept. 7 – Council meeting

REPORTS & CORRESPONDENCE

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**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 5th day of August, 2020

Essential Air Service at

MERCED, CALIFORNIA

Under 49 U.S.C. § 41731 *et seq.*

Docket DOT-OST-1998-3521

ORDER APPROVING ALTERNATE SERVICE PATTERN

Summary

By this Order, the U.S. Department of Transportation (the Department) is approving the request of Boutique Air, Inc. (Boutique Air) to alter its Essential Air Service (EAS) pattern at Merced, California, effective August 10, 2020, at no additional annual subsidy, as indicated below:¹

Effective Dates	Hub(s)	Weekly Round Trips
May 15, 2019 - August 9, 2020	Los Angeles International Airport (LAX)	20
	Sacramento International Airport (SMF)	8
August 10, 2020 - July 31, 2021	Los Angeles International Airport (LAX)	14
	Sacramento International Airport (SMF)	14

Background

By Order 2017-6-19 (June 26, 2017) the Department selected Boutique Air to provide EAS at Merced for the four-year period from August 1, 2017 through July 31, 2021. Under the terms of that Order, Boutique Air was selected to provide 19 nonstop round trips per week to Los Angeles International Airport (LAX) and 12 nonstop round trips per week to Oakland International Airport (OAK), using 8- or 9-seat Pilatus PC-12 aircraft, at the annual subsidy rates indicated below:²

Year	Subsidy
Year 1	\$ 3,186,220
Year 2	\$ 3,249,944
Year 3	\$ 3,314,943
Year 4	\$ 3,381,242
Total	\$ 13,132,349

1 Boutique Air must maintain at least twenty-eight (28) weekly round trips at the community.

2 Such subsidy is calculated and distributed on a fiscal year basis, subject to the availability of funds.

By Order 2018-6-5 (June 7, 2018) the Department approved Boutique Air’s request to alter its service pattern at Merced to provide 20 weekly round trips to LAX and 8 weekly round trips to OAK (rather than 19 and 12, respectively), at no additional annual subsidy, effective June 10, 2018.³

Subsequently, by Order 2019-4-24 (April 29, 2020) the Department approved Boutique Air’s supplementary request to alter its EAS pattern at Merced, effective May 15, 2019, at no additional annual subsidy, replacing OAK with Sacramento International Airport (SMF), as described below:

Effective Dates	Hub(s)	Weekly Round Trips
August 1, 2017 - May 31, 2018	Los Angeles International Airport (LAX)	19
	Oakland International Airport (OAK)	12
June 1, 2018 - May 14, 2019	Los Angeles International Airport (LAX)	20
	Oakland International Airport (OAK)	8
May 15, 2019 - July 31, 2020	Los Angeles International Airport (LAX)	20
	Sacramento International Airport (SMF)	8

2020 Alternate Service Pattern Request

On July 21, 2020, Boutique Air stated in a letter to the Department that “Boutique Air and the City of Merced formally request authorization to shift up to 14 of the 28 total weekly round trips associated with Merced EAS to [SMF], with the remainder going to LAX. We would like to make this change Effective on August 10, 2020. We believe this shift will resonate better with the demand that we are currently seeing in the market.”⁴

Community Comments

By email notification on July 17, 2020, Mr. Martin Pehl, Manager of Merced Regional Airport, stated, “We have reviewed and support Boutique Air’s proposed schedule change.”

Decision

The Department will approve Boutique Air’s request, as outlined in the table below, which meets the three conditions necessary for approval under authority assigned under 14 CFR Part 385.12(k)(3) of the Department’s Regulations: (1) the alternate service pattern is equal or greater than that determined to be essential; (2) the community does not object to the alternate service pattern; and (3) the alternate service pattern will not increase Boutique Air’s subsidy. Specifically, by altering the allocation of flights between LAX and SMF, the alternate service pattern still provides EAS to a large hub airport with ample connectivity to the national air transportation network; the community do not object to this change; and the subsidy rate will remain unchanged.

³ Although no additional annual subsidy was authorized under Order 2018-6-5, the Department recalculated the subsidy per flight to a higher rate, as the frequency decreased from 31 weekly round trips to 28 weekly round trips.

⁴ On July 29, 2020, Boutique Air confirmed confirmed via email that it seeks to operate 14 weekly round trips to LAX and 14 weekly round trips to SMF.

Effective Dates	Hub(s)	Weekly Round Trips
May 15, 2019 - August 9, 2020	Los Angeles International Airport (LAX)	20
	Sacramento International Airport (SMF)	8
August 10, 2020 - July 31, 2021	Los Angeles International Airport (LAX)	14
	Sacramento International Airport (SMF)	14

Because the Department is simply *allowing* the alternate service pattern and not *requiring* it, Boutique Air may revert to the original service pattern at any time.

This Order is issued under authority delegated in 49 CFR 1.25a(b).

ACCORDINGLY,

1. The Department approves the alternate service pattern requested by Boutique Air, Inc. to serve Merced, California, as described in this Order, effective August 10, 2020;
2. This docket will remain open until further order of the Department; and
3. The Department will serve this Order on the civic officials of Merced, California, the Manager of Merced Regional Airport, and Boutique Air, Inc.

By:

TODD M. HOMAN
Director
Office of Aviation Analysis

(SEAL)

An electronic version of this document is available at
www.regulations.gov

Boutique Air, Inc.
Essential Air Service to be provided at Merced, CA
DOT-OST-1998-3521

Effective Period: From May 15, 2019, through August 9, 2020

Scheduled Service: 20 nonstop round trips each week to Los Angeles; and
8 nonstop round trips each week to Sacramento

Effective Period: From August 10, 2020, through July 31, 2021

Scheduled Service: 14 nonstop round trips each week to Los Angeles; and
14 nonstop round trips each week to Sacramento

Aircraft: 8- or 9-seat Pilatus PC-12 aircraft

Third year (August 1, 2019, through July 31, 2020)/Rate per Eligible Flight: \$1,162⁵

Third Year Weekly Ceiling: \$65,072⁶

Fourth year (August 1, 2020, through July 31, 2021)/Rate per Eligible Flight: \$1,185⁷

Fourth Year Weekly Ceiling: \$66,360⁸

The air carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate Order, including the service plans outlined in the Order and any other significant elements of the required service, without prior approval. The air carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the air carrier does not schedule or operate its flights in full conformance with the Order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the air carrier contemplates any such changes beyond the scope of the Order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be ensured of full compensation. Should circumstances warrant, the Department may locate and select a replacement air carrier to provide service on these routes. The air carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this Order, then, at the end of the period for which the Department does make payments in the stipulated amounts or at the stipulated service levels, the air carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the Department and air carrier do not constitute a total or partial reduction or cessation of payment.

5 Annual compensation of \$3,314,943 divided by 2,854 annual departures (56 weekly departures x 52 weeks x 98 percent completion).

6 56 flights per week multiplied by \$1,162 per flight.

7 Annual compensation of \$3,381,242 divided by 2,854 annual departures (56 weekly departures x 52 weeks x 98 percent completion).

8 56 flights per week multiplied by \$1,185 per flight.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

Funds may not be available for performance under this Order beyond September 30, 2020. The Government's obligation for performance under this Order beyond September 30, 2020, is subject to the availability of funds from which payment for services can be made. No legal liability on the part of the Government for any payment may arise for performance under this Order beyond September 30, 2020, until funds are made available to the Department for performance. If sufficient funds are not made available for performance beyond September 30, 2020, the Department will provide notice in writing to the carrier.

All claims for payment, including any amended claims, must be submitted within 90 days of the last day of the month for which compensation is being claimed. For example, claims for service provided in July must be filed by October 31st; August claims must be submitted by November 30th, and so on.

Inspection Services CI

For the period of July 13th through July 26th, 2020, there were 38 New Single Family Dwelling Permits Issued.

The running total of New Single Family Dwellings in Plan Review is **556**.

Multi Family Permits in review:

Gateway Terrace Apartments located at 405 W 12th St; 1 office/lounge and 6, 2 story apartments: 2 buildings have 16 units, 3 buildings have 30 units, and 1 building has 4 units for a total of 126 units.

Compass Pointe phase II: 128 units in 16, 8-plex buildings, plus a clubhouse.

Merced Station (Yosemite at Lake Apartments) located at 2850 E. Yosemite Ave.; 11 of 15 multi-family apartment permits still pending issuance for buildings 5-15. 5 of those have been issued foundation-only permits (buildings 5-9), as well as the maintenance building. Each building is 27,276 SF, 3-story, 18 units. 72 units total have been issued thus far under 4 of the apartment permits and the master plan is approved.

The Childs & B St. project plan review is approved and the permit is pending issuance. It consists of 5 publicly funded apartment buildings and a community building in an affordable housing development consisting of 119 units on 4 acres located at 1157 B St.

There is also 1 new 2,438 SF duplex in review, located at 345 W. 23rd St.

There were 0 multi-family permits issued during this period.

There were 0 new construction commercial permits issued during this period.

There were 0 new tenant improvement permits issued during this period.

There were 4 new commercial submittals during this period; 3 for an Arco AM/PM consisting of a 3,078 SF convenience store, 1,722 SF fast food shell with drive through, and 4,700 SF car wash located at 3105 N Hwy 59, and 1 to demolish the existing structure and construct a 1,893 Taco Bell at 1990 Yosemite Parkway.

There were 0 new tenant improvement submittals during this period.

There were 4 CofOs issued for this period; one for an ice cream shop located at 1111 W. Olive Ave. Ste B, one for a doctor's office located at 3349 G St. Ste A, one for a 2,400 SF warehouse located at 2773 N Hwy 59, and one for a 650 SF metal storage building for the city located at 1520 North Bear Creek Ct.

There were 28 CofOs for Single Family Dwellings during this period.

Support Services July 2020 Monthly Report

	<u>Current</u> July '20	<u>Previous</u> July '19	<u>2020</u> YTD Total	<u>2019</u> Grand Total
Personnel:				
Recruitment(s)	2	6	21	53
New Hire(s) – Permanent	2	4	17	52
New Hire(s) – Temporary	10	4	19	56
Separations	6	4	45	73
Retired	0	0	12	12
Total Number of Employees	490	568	--	--
Full Time	459	465	--	--
Temporary	31	103	--	--

Insurance:				
Government Claim (s) Filed	6	10	52	62
Subrogation Claim (s) Filed	8	0	41	50
Training - Workshops Offered	0	3	11	39