MEMORANDUM

To: Mayor Kogon and Members of Council

From: Aaron Bourgeois, Director of Operations

Date: April 17, 2023

Subject: Underground Fuel Storage Tanks

This memorandum is being provided as an update to Council on the status of the underground fuel storage tanks at the Public Works Garage.

The Town owns and maintains 3 – 4500 litre fibreglass underground fuel storage tanks, installed in 1992, at the Public Works garage. Two tanks hold gasoline, and one holds diesel. The fuel is dispensed using a cardlock system and standard fuel pumps. The system is connected to an automatic backup generator, which allows for 24/7 uninterrupted access by all users. (Operations, Police, and Fire)

During the insurance renewal process in 2022 staff were informed that due to the age of the underground fuel tanks, now 30 years old, our insurance provider would no longer provide coverage for the tanks.

Precision tank "tightness" testing was completed on January 30, 2023. The 3 fuel tanks and supply lines passed the testing, meaning there are no fuel leaks in the system. Tightness testing is a low pressure (3.6 psi) test used to detect leaks from the entire system which includes the liquid-filled portion of the tank and the vapor space above the fuel and all portions of underground piping.

Unlike steel tanks, buried fiberglass tanks can easily last in excess of 70 years without issue. While the probability of a leaking occurring in the next 10-15 years is low, the cost of remediation in the event of a fuel leak could be considerable.

Options going forward:

1. Include full replacement of the fuel tanks in the 2024/25 five-year capital budget at an estimated cost of $200,000.
2. Discontinue use of the tanks and pumps and use a fleet or purchase card to access fuel from local retailers.
3. Complete annual leak testing and continue to use the system as-is and accept the potential risks of an un-insured system. The cost of remediation if a leak did occur may exceed the replacement cost of the tanks.

Staff are recommending **Option 1**.