



Date: January 21, 2015

To: Patrick H. West, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Compressed Natural Gas (CNG) Infrastructure Improvements**

In furtherance of Fleet Services efforts to provide clean burning, financially economical alternative fuel vehicles, the City's inventory of aged Liquefied Natural Gas (LNG)-powered Refuse and Street Sweeping equipment is scheduled to be replaced with Compressed Natural Gas (CNG)-powered equipment over the next 18-36 months. Transition to the CNG-powered equipment will result in lower Greenhouse Gas Emissions (approximately 348 metric tons per year) and reduced fuel costs of approximately 50 cents per gallon, providing an annual fuel savings of approximately \$250,000.

To accommodate fueling of the new CNG equipment, plans are underway to improve the Fleet and Environmental Services Bureau's maintenance yard located at Temple and Willow, with an onsite CNG fueling station. The station will be designed with the capacity to simultaneously fill up to 100 trucks on a time-fill basis (overnight fueling). The time-fill provides for the greatest percentage of tank fill allowing drivers to complete daily routes on a single tank fill and is a more efficient fueling method.

Fleet Services has partnered with the Department of Public Works to provide project management and oversight services for the CNG project construction. Staff anticipates requesting City Council approval of a construction contract within the next four months. The improvements are projected to be complete, and the new fueling station operational, within the next 18-24 months, at a cost of \$2.5 million. Funding for the project is available and has been set aside. Completion of the improvements will coincide with the arrival of the first batch of new equipment.

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