

# REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 7               | 03/25/13           | Open                | Action                  | 3/11/13    |

Subject: Delegating authority to the General Manager/CEO to contract with other public sector agencies to fuel vehicles using RT's CNG fueling facilities.

## ISSUE

Whether or not to delegate authority to the General Manager/CEO to contract with other public sector agencies to fuel vehicles using RT's Compressed Natural Gas (CNG) fueling facilities.

## RECOMMENDED ACTION

Adopt Resolution No. 13-03-\_\_\_\_\_, Delegating Authority to the General Manager/CEO to Contract with Other Public Sector Agencies to Fuel Vehicles Using RT's CNG Fueling Facilities.

## FISCAL IMPACT

There is no fiscal impact as a result of this action.

## DISCUSSION

RT recently completed building its second CNG fueling facility at the Bus Maintenance Facility located in the McClellan Business Park. The new facility adds additional capacity and back up capability for RT's downtown CNG fueling facility. The new system supports both Sherex 5,000 and Sherex 1,000 equipped vehicles. RT's large buses are equipped with Sherex 5,000 connections. School buses and small transit system operators generally use the lower capacity Sherex 1,000 connections. Three of the local school systems with CNG buses have approached RT Staff and have inquired about the possibility of fueling their CNG vehicles at one of RT's fueling facilities on a regular basis.

RT purchases fuel through the State of California Department of General Services (DGS) CNG purchasing consortium. The RT Board approved a rolling 5-year contract to purchase CNG futures as part of the DGS offering. Over the last 7 years this has delivered substantial cost savings and very stable fuel pricing for RT. Over the last year that price has hovered at about .50 cents per therm (roughly .67 cents per gallon of gasoline equivalent, known as a GGE). RT's cost of delivery including maintenance and compression is roughly .74 cents per therm. (.98 cents per GGE). The three school systems believe that RT's pricing would be a good value for them.

RT staff recommends that RT enter into agreements with interested Public agencies that allows these public agencies to purchase CNG fuel from RT pursuant to the following pricing

Agencies using the fleet dispensers will be charged RT's fuel price, including RT's compression cost, plus a fee for RT's operation and maintenance of the equipment.

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Approved:

Presented:

Final 03/18/13

General Manager/CEO

Chief of Facilities and Business Support Services

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Agencies using the public fueling station will be charged the fleet dispenser pricing and, in addition, an operating cost for McClellan and a Common Area Maintenance (CAM) fee.

The RT CNG fueling system fuels RT vehicles in 3 to 5 minutes while fueling 5 vehicles simultaneously. The school systems use either contracted systems or slow fuel systems. The Twin Rivers School District uses the old system located at McClellan Park (which is being retired in March). This system fuels one bus at a time in 20 to 25 minutes. The ability to fuel multiple buses quickly will save the school district funds. The RT Board previously approved an agreement to allow CNG buses from Twin Rivers School District to fuel at RT's facilities.

The new CNG system is equipped with a card reader system to identify who is fueling and what vehicle is being fueled. The records are electronically generated to show fuel use for billing purposes. In addition, without a system card, the fueling system will not turn on fueling. Agencies authorized to fuel will be billed monthly for their fuel use. System cards are issued subsequent to receiving training on how to safely fuel.

Staff is recommending delegating authority to the General Manager/CEO to contract with other public agencies to fuel at RT's CNG fueling facilities at pricing that covers all of RT's costs of operating and owning the fueling systems and so long as the third-party fueling does not interfere with RT's operations. Because the Federal Transit Administration (FTA) provided much of the funding used to build the CNG systems, RT staff requested approval from the FTA to allow others to fuel their vehicles with RT's fueling facilities. The FTA has provided written authorization.

The expectation is that providing this service will have minimal impact on RT's use of the fueling facilities. RT staff generally fuels our fleet between 6 PM and 3 AM.

RESOLUTION NO. 13-03-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 25, 2013

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO CONTRACT WITH OTHER PUBLIC SECTOR AGENCIES TO FUEL VEHICLES USING RT'S CNG FUELING FACILITIES.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby delegates authority to the General Manager/CEO to contract with other public sector agencies to fuel vehicles using RT's CNG fueling facilities, so long as the negotiated fee fully covers RT's costs and the third party fueling does not interfere with RT's operations.

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PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary