ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 8/5/15

ISSUE NO. 16

Request for approval for funding for construction required for the compressed Natural Gas (CNG) Time Fill Station for the environmental Services Division for the amount of $2,028,177.00. (Lawrence Garcia)

Public Utilities Committee – 8/5/15
Finance Committee – 8/17/15
City Council – 8/26/15

PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to 8/17/15 Finance Committee.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR RIVERA, CHAIR	X		
COUNCILOR MAESTAS	X		
COUNCILOR BUSHEE	X		
COUNCILOR DIMAS	Absent		
COUNCILOR IVES	X		

City of Santa Fe, New Mexico

memo

Date: August 5, 2015

To: Public Utilities Committee

Via: Nick Schiavo, Public Utilities Department and Water Division Director NSA

From: Cindy Padilla, Environmental Services Division Director

Subject: Request for funding for construction of a time fill station for the efficient fueling of the Division's Compressed Natural Gas Units.

Request approval to request a low-interest loan from the New Mexico Finance Authority for

Environmental Services Division
Dedicated to the protection of our environment, our community, and our people

Background:

Compressed Natural Gas Time-fill Fueling Station: $2,028,177

The Division is converting its refuse and recycling fleet to Compressed Natural Gas (CNG) fuel from diesel fuel. To date the Division has 13 CNG units in its fleet, and is expecting delivery of two more within this calendar year.

The benefits of converting to CNG fuel include short and long-term financial and environmental gains. The Division estimates its annual fuel savings per unit to be approximately $6,029.00 and an annual cost savings of $78,383.00. Furthermore the Division estimates a 51% annual reduction in greenhouse gas emissions.

It is necessary to construct a time-fill station to adequately fuel our fleet. Currently we are utilizing the public fill station as well as borrowing time-fill slots from the Transit Division (please note that the Division is paying for the CNG fuel). This construction project is being completed in partnership and coordination with the Transit Division. Anticipated Cost for construction:

	Total Cost	Transit	ESD
CNG Compression Station	$ 1,088,866	$ 544,433	$ 544,433
ESD Time Fill station	$1,299,364		$ 1,299,364
Transit Upgrade (Paratransit)	$ 419,306	$ 419,306	
Contingency @ 10%	$ 280,754	$ 96,374	$ 184,380

Total Proposed Cost	$ 3,088,290		$ 1,060,113		$ 2,028,177

ACTION REQUESTED:

The Division respectfully requests approval to initiate a loan through the New Mexico Finance Authority in the amount of $2,028,177, to be financed for ten years through a low interest loan (currently at 2.109%).