



Environmental Quality & Public Works Committee

January 24, 2017

Summary and Motions

Chair Farmer called the meeting to order at 1:02 p.m. Committee Members Moloney, Gibbs, Evans, Scutchfield, Bledsoe, Mossotti and Plomin were present. F. Brown and Stinnett were absent.

I. Approval of Committee Summary – November 15, 2016

A motion was made by Mossotti to approve the November 15, 2016 and January 17, 2017 Environmental Quality & Public Works Committee Summary & Motions, seconded by Moloney. The motion passed without dissent.

II. CNG Conversion & Use

Farmer introduced Jamshid Baradaran, Director of Facilities and Fleet Management who presented an update on the item regarding Compressed Natural Gas (CNG) conversion and use. He said they started this initiative in 2014 when they purchased 10 vehicles that had CNG on them. He said they were designed and built, not retrofitted. He spoke on the implementation status and gave a brief overview of benefits and challenges. He discussed the current status and analysis of Clean Energy CNG fuel. He said the numbers are not in our favor due to a combination of many different elements. He said the cost of diesel fuel has dropped. Baradaran feels there is an opportunity to reduce CNG costs by finding other alternatives such as owning our own system. Baradaran also reviewed recommendations for moving forward.

Moloney asked why Lextran's CNG fuel is so much cheaper than ours. Baradaran is not sure, but he would also like to know.

Mossotti stated that based upon the information in the packet, CNG units require less maintenance and repair expenditures; however, it is cheaper to go with diesel. She asked if it was the recommendation to go with diesel. Baradaran said yes, there will be cost escalation of those CNG units. He feels like they will not be able to cover the cost differential of a CNG vehicle over diesel. Mossotti asked about environmental impact of switching to diesel from CNG. Baradaran said the diesel in the market is considered biodiesel. Mossotti said we have an obligation to the community to provide clean air and clean water; this is an opportunity.

Farmer introduced Carrie Butler who gave a presentation on behalf of Lextran. Butler gave an overview of Lextran services and vehicles that make up their fleet. She reviewed fuel prices over a period of fifteen years and explained that electric and CNG vehicles were a better option because of their lower cost and ability to stay stable over a period of time. She said from an emissions standpoint, electric vehicles have 0 emissions compared to diesel and CNG. Butler reviewed the fleet make-up as well as ongoing fuel costs.

Farmer asked what the anticipated level of electric buses in their fleet is and how many do they have now. Butler said they have 5 now and have grant funding to purchase a 6th. She said they are also pulling resources to see if they can get a second charging station. Farmer asked if they would stay at the level of 6 electric buses. Butler said for now yes, until they get approval for more. Farmer asked if they would continue to add both CNG and diesel vehicles and Butler said yes, as grant funds allow. She said it is the best way to leverage additional federal funds to take the incremental cost from the diesel bus versus CNG and electric. Farmer asked since it is federal funds driven would it be directed at CNG or diesel; Butler said with change in administration she can't say.

Moloney asked if there were grants for diesel buses since the grants are mostly for CNG or electric and Butler said there are no grants available for diesel buses.

Kay commented that the reason electric buses show no emission is because the cost to the atmosphere has already been calculated. Kay asked if Federal Government buys these buses and Butler said no; it is 80% federal and 20% local/state. Kay asked if Federal Government favors low or no emissions vehicles in the way they allocate resources. Butler said yes, for one particular grant program. Kay asked about the actual cost of CNG. Butler said they have a contract with Zeit Energy and we pay Columbia Gas for CNG directly and a maintenance fee to Zeit on top of that. Kay asked why Lextran's way of doing this is not comparable to how we are doing this. Baradaran said there are similarities to the model we use and the one Lextran uses; however, without knowing specifics, he cannot answer. Kay asked him to explain the differences. Hoskins-Squier said the primary difference is that Lextran owns the CNG infrastructure, we do not. She said we are basically leasing all of our equipment from Clean Energy. She said what we are trying to do is purchase the equipment from Clean Energy which will lower our CNG fueling costs.

Plomin asked about the Wheels program and if that was a separate contract. Butler said it is a complimentary vehicle. It is operated by Red Cross Wheels, but it is a Lextran vehicle. Essentially Red Cross is a subcontractor.

Evans would like to see us work together better. She would ask Lextran and the city to have discussions and exchange information to make this happen as soon as possible. She said it is a shame we are paying twice as much as Lextran for something we are all trying to do good and do what is best for the city.

Moloney responded to Evans saying that we have worked with Lextran. He said we had the CMAQ grant and we were trying to see how we could partner with that. He said the problem was with so many trucks that need a slow-fill, it wouldn't work over there and we did not want to put all of that traffic on Loudon Avenue. He said by having this on our property, we can do all of the things that they do. We are willing to work together; it is a relationship that is working.

Kay said we need to be thinking about the future costs of diesel going up and CNG going down and perhaps CNG being more economically feasible. He said regardless of economics, we

should think about going with hybrid vehicles. He said the bottom line is they are more expensive, but they are better for the environment which tells the community that we care about the environment and that could generate more riders.

Farmer said we are interested in having a better carbon footprint and using CNG where we can. Responding to the recommendation that this should be shelved for two years, he said he is not on that same page. He said we need to double down on this because it is very important to run this more effectively from a cost standpoint and from an environmental standpoint. He said there is more work to be done here and there is a consensus among this group and the council to stay on track with it.

The presentation identified the Diesel Equivalent Gallon (DEG) CNG costs for Lexington-Fayette and LEXTRAN.

- LFUCG \$ 2.89 DGE
- Lextran \$ 1.39 DGE

No further comment or action on this item.

III. Energy Improvement Fund

Farmer introduced James Bush, Environmental Program Manager, who presented the update on the Energy Improvement Fund. Bush reviewed Responsibilities of the Division and Deployment of Projects. He reviewed project examples including LED lighting retrofits; HVAC controls; Senior Center; Public Safety Operations Center; and Fire Stations. Bush also described the Energy Improvement Fund, calling it an internal revolving loan. He said the savings from one activity can be used to fund the next energy savings initiative. He then discussed key points such as review of projects; approval of expenditures; allocation of savings; and pooled resources. Bush also reviewed the funding structure of the program. Lastly, he discussed insights and comments or high-level observations regarding the fund.

Mossotti expressed concern about the last 2 bullet points under “comments” in the presentation that appear as though we are not moving forward. She stated that her office has done research and she referenced articles from Associated Press and NASA on energy and global warming. She also discussed the Louisville Mayor’s “Cool 502”, launched in April 2016, which deals with the city’s documented problem with urban heat. She said the Louisville Mayor has a heat management report which talks about minor things that will help including cool roofing materials; cool paving options; porous parking lots; planting and maintaining trees; and more energy efficient homes and businesses. She said we have the obligation to the public and the opportunity to go forward with some of these initiatives.

Moloney asked how much of a savings we would have in changing to an energy efficient building. Bush said he can’t speak on new construction so he can’t quantify actual savings.

Farmer asked if there was a figure on the upkeep of the Granville lights now that we won them. Bush said is not in their shop, but they are asking questions about that. He said the early estimate is that it will save \$200,000 a year and they seem on track for that. He said the major cost will be re-painting, but the damaged fixtures due to vehicle accidents were a little higher than anticipated going from 10 to 18 damaged fixtures. He said they are trying to piece together why that number was so much higher than anticipated. Farmer said that it is important that the maintenance takes place on the Granville lights.

No further comment or action on this item.

IV. Maintenance of Streets in Transition from Development to Completion

Presentation and discussion of this item was postponed to the next meeting.

V. Division of Water Quality Projects Report

Presentation and discussion of this item was postponed to the next meeting.

VI. Items Referred to Committee

No comment or action on this item.

A motion was made by Bledsoe to adjourn, seconded by Gibbs. The motion passed without dissent.

The meeting was adjourned at 2:23 p.m.

K.T. 1.25.17