

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETING

MEETING DATE(S): April 14 & 18, 2022

FROM: Brian Macy – Assistant General Manager

FOR: ACTION X DIRECTION _____ INFORMATION _____



FIRST AMENDMENT TO THE COMPRESSED NATURAL GAS VEHICLE FUELING STATION LICENSING AND CNG SALES AGREEMENT WITH CLEAN ENERGY

STAFF RECOMMENDATION

Authorize the General Manager to execute a first amendment to the Compressed Natural Gas Vehicle Fueling Station Licensing and CNG Sales Agreement between Mission Springs Water District (MSWD or District) and Clean Energy (CE) for the CNG Fueling Station located at 14501 Park Lane, Desert Hot Springs.

SUMMARY

In November 2011, the District entered into a five year contract with CE for the use of MSWD property for operations and maintenance of a public CNG fueling station. This contract included an automatic five year renewal in 2016. The CNG station is located on District property directly outside of the Corp Yard facility and is designated as a public use CNG station.

ANALYSIS

In late 2021, CE reached out to staff requesting an extension to the contract for the operations and maintenance of the CNG station. Staff analyzed the need for the station for the District and the public and agreed on allowing the CNG station to stay in operation on District property. The first amendment to the original contract was modified to better fit the needs of the District and CE. Since the District no longer operates any CNG vehicles, language was removed discounting CNG fuel to the District and new language was added in allowing a monthly rental fee for CE to use District property to operate and maintain the CNG fueling station. The first amendment is a one year amendment with the option to automatically renew each year for a total of five years. Either party has the option to terminate the agreement with a six month written notice, at which point CE would be responsible for removal of all upgrades, merchandise, equipment, fixtures, machinery and tools related to the station at CE's sole expense.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

There is no cost to the District associated with approving this first amendment. CE is responsible for all operations and maintenance costs. Monthly rent to the District will be \$2,000 with a 3% annual escalator starting November 2023.

ATTACHMENTS

First Amendment to Agreement