



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 09/12/23

**REQUESTER:** Mike White, Fleet Program Manager

**PRESENTER:** Shawn O'Leary, Director of Public Works

**TITLE:** CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2324-48: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA AUTHORIZING APPLICATION FOR FINANCIAL ASSISTANCE FROM THE ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS' PUBLIC FLEET CONVERSION GRANTS FUND FOR REPLACEMENT OF AGING ALTERNATIVE FUEL INFRASTRUCTURE.

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### **BACKGROUND:**

On August 1, 2023, the Association of Central Oklahoma Governments (ACOG) announced a Clean Air Grant For Public Sector Fleets using the federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Carbon Reduction Program (CRP). Two Years each of CMAQ and CRP funds will be available during this call for Projects, representing approximately \$4 million.

ACOG Clean Air Grants for Public Sector Fleets will allow public entities to access CMAQ funds for fleet conversions to clean fuel technology to include light-duty, medium-duty, and heavy-duty alternative fuel vehicles, hybrid and plug-in hybrid vehicles, off-road equipment, and alternative fuel vehicle refueling infrastructure. Selected projects need to be paid in full, and the awarded entity will submit for reimbursement of the incremental cost of the identically equipped conventional fueled vehicles. The old vehicle/equipment being replaced is required to be removed from the fleet. Alternative Fuel Infrastructure Projects may be funded at a ratio of *up to* 80 percent federal funds and 20 percent local funds for installation costs and capital investments in alternative fuel refueling/recharging infrastructure.

Application submission is due by 4:00 p.m., September 29, 2023. Award Notifications will be distributed in November, and notices to proceed will be sent out in December 2023.

### **DISCUSSION:**

The City's Compressed Natural Gas (CNG) public/private fueling facility was constructed and placed in service in 2012. At that time, the City had six (6) CNG vehicles in the fleet and a small customer base of public CNG users. As of July 2023, the City CNG fleet has grown to over 157 CNG units ranging from refuse trucks, sedans, maintenance trucks, and transit buses. This

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facility has an annual gas “throughput” of approximately 385,000 gallons and a life to date throughput of 3.2 million gallons. The refuse and transit fleets are primarily dedicated CNG vehicles and are mission-critical to City departments that operate these vehicles to provide service to the citizens of Norman.

It is becoming challenging to keep the two electric-powered CNG Arrow compressors operational, and the manufacturer is no longer building CNG compressor units, so parts are becoming obsolete and, in some cases, must be custom-made. Compressor rebuilds are completed every two years, costing \$25,000 every 3000-3500 hours. Newer technology CNG compressors require rebuilds at 15,000 hours at the same cost.

**RECOMMENDATION:**

Staff recommends that City Council approve Resolution R-2324-48 authorizing the City Manager or his designee to submit a grant application to the Association of Central Oklahoma Governments Federal Fiscal Year 2024 Grants for the replacement of two 125 horsepower (hp) CNG fueling facility compressors.