

BOARD OF ALDERMEN

ITEM NO. C(7)

AGENDA ITEM ABSTRACT

MEETING DATE: August 15, 2006

SUBJECT: Resolution for the Town of Carrboro to approve the renewal of an agreement with Piedmont Bio-fuels.

DEPARTMENT: PUBLIC WORKS	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution B. Agreement	FOR INFORMATION CONTACT: George E. Seiz 918-7427 Antonio J. Baxter 918-7426

PURPOSE

The purpose of this agenda item is to approve the renewal of an agreement with Piedmont Bio-fuels.

INFORMATION

In June of 2004 the Environmental Advisory Board recommended that the Town test the use of B100 (100% biodiesel fuel) in some town owned vehicles in support of cooperative efforts to help support local producers of biodiesel. Concomitant with this recommendation was a request from Piedmont Bio-fuels asking the Town of Carrboro to collaborate on a Triangle Clean Cities grant for the placement of a biodiesel fuel tank. Subsequently, in October of 2004 the Board of Aldermen adopted a resolution directing staff to proceed with plans for the placement of a 500 gallon B100 fuel tank at the Public Works facility provided that an acceptable site could be identified within the Public Works compound. An agreement for the installation of the tank was developed, and Piedmont Bio-fuels began using the site in late June of 2005. Fuel was made available for co-op members and the Town of Carrboro. The term of the agreement was for a period of one year.

During the period of this agreement the Public Works Department tested B100 in two vehicles, a pick-up truck and a solid waste truck. Approximately 800 gallons of fuel was used between the two vehicles. Overall performance and fuel mileage of B100 was comparable to B20. Both vehicles experienced gelling of the fuel when temperatures dipped into the low 20's.

Initially, twelve cooperative members were serviced through the Piedmont Bio-Fuels tank. There are now sixty co-op members using the facility. About 14,000 gallons of B100 have been dispensed since the tank began operation. According to Leif Forer of Piedmont Bio-fuels, the biodiesel from the Carrboro tank has reduced carbon dioxide emissions by 230,227 pounds, carbon monoxide by 800 pounds, unburned hydrocarbons by 80 pounds, particulate matter by 72 pounds, and sulfur dioxide by 63 pounds.

Piedmont Bio-fuels has requested that the agreement be renewed allowing them continued use of the Public Works site for their biodiesel tank. The proposed agreement (attachment B) is in essence the same as the original agreement, however, a clause providing for the automatic renewal of the agreement has been added, with the stipulation that either party can terminate the agreement with 60 days notice prior to the renewal date (item #5 in the agreement). At this point in time the Public Works Department does not plan on testing more B100, however, it is proposed that the option for the Town to use the B100 fuel remains in the agreement. The price offered to the Town by Piedmont Bio-fuel remains the same at \$3.01 per gallon.

The B100 tank site continues to operate in good fashion and has been well maintained. Town staff believes that the continued operation of this site by Piedmont Bio-fuels will help facilitate the Town's commitment to exploring alternative fuel options.

RECOMMENDATION

Staff recommends that the Board adopt the attached resolution approving the renewal of the agreement with Piedmont Bio-Fuels.