

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 20, 2003

Agency Submitting: Regional Transportation Commission of Washoe County

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Vehicle fuel and equipment costs. (Expense)		\$200,000	\$200,000	\$300,000
Total		\$200,000	\$200,000	\$300,000

Explanation (Use Additional Sheets of Attachments, if required)

RTC's fixed route transit fleet is diesel powered and is currently being operated on low sulphur diesel fuel. Through 31 Dec 2006, the RTC will need to purchase replacement and expansion coaches running on one of the designated alternative fuels to meet the alternative fuel vehicle requirements of NRS 486A. The most economic alternatives under this scenario would be biodiesel or ultra low sulphur diesel. Given the size of the RTC's fleet and the expense and operational problems of running the fleet on more than one fuel type, the RTC would convert the entire fleet to operate on the single type of alternative fuel selected. The major engine manufacturers that supply the power plants for our buses have stated that they will assume no warranty responsibility for repairs or increased cost of operation with biodiesel fuels. It also appears that the major engine manufacturers will focus their future technological innovations on vehicles using ultra low sulphur diesel to meet the demands of the major US markets. For these reasons, it appears most likely that we would convert our entire fleet to operation on ultra low sulphur diesel fuel. Our suppliers have indicated that the differential cost between our current low sulphur diesel and ultra low sulphur diesel fuel would be approximately \$.20 per gallon. The annual impact to our fuel costs under this scenario would be approximately \$200,000. This impact would continue through 31 Dec 2006. As a practical matter, this impact will cease after 31 Dec 2006 since it is most likely that Federal regulation will require that our new vehicle purchases meet or exceed the emissions standards in AB 237 (as amended), in which case a conversion to ultra low sulphur diesel fuel would most likely be needed anyway.

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Title Deputy Executive Director