



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	5/28/2024
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 11208 - A Resolution Authorizing Staff to Submit a Grant Application to the Sacramento Metropolitan Air Quality Management District for the 2024 Sacramento Emergency Clean Air Transportation Program Funding Round for the Purchase of Five Light Duty Battery Electric Vehicles
<b>FROM:</b>	Public Works Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11208 - A Resolution Authorizing Staff to Submit a Grant Application to the Sacramento Metropolitan Air Quality Management District for the 2024 Sacramento Emergency Clean Air Transportation Program Funding Round for the Purchase of Five Light Duty Battery Electric Vehicles.

## **BACKGROUND / ISSUE**

The Sacramento Area Council of Governments (SACOG) is the metropolitan planning organization (MPO) for the greater Sacramento region, which is a six-county region including Sacramento, Yolo, Sutter, Yuba, Placer, and El Dorado counties. The Sacramento Metropolitan Air Quality Management District (SMAQMD) is the regional air quality management district for the County of Sacramento. The Sacramento Emergency Clean Air Transportation (SECAT) Program is a partnership between SACOG and SMAQMD, with the goal of promoting zero emission on-road vehicles based in the SACOG region.

As the agency responsible for monitoring air pollution and for developing and administering programs to reduce air pollution levels below the health-based standards established by the state and federal governments for all of Sacramento and Yolo Counties, as well as portions of Solano, Sutter, El Dorado and Placer Counties, SMAQMD is charged with administering various clean air incentive programs, including the SECAT program.

As part of the SECAT program, \$4,200,000 will be made available to fleets within Sacramento County. The available funding per vehicle is based on the gross vehicle weight rating (GVWR) as follows:

<u>Vehicle Weight Class</u>	<u>Funding per Vehicle</u>
• Light Duty (under 8,501 pounds GVWR)	\$20,000
• Medium Duty (between 8,501 & 14,000 pounds GVWR)	\$35,000
• Heavy Duty (14,001 pounds & higher GVWR)	\$100,000

There is a minimum City purchase commitment of at least five vehicles under 14,001 pounds or at least one vehicle over 14,000 pounds required to be eligible for this funding, with no specified upper limit.

This funding can be combined with other available grants and other state rebates. Funding may be reduced if the sum of all grants exceeds the vehicle cost. Some of the other available grant programs require a cost share from the applicant, and SMAQMD staff will work with each applicant to ensure compliance with this requirement. Funding is available to add vehicles to a fleet or convert existing vehicles to zero emission operation.

Additionally, the SECAT Program will only fund zero emission vehicles that can be quickly delivered or converted to zero emission. Vehicles must be ordered within 45 days of contract execution and vehicle delivery must occur within 180 days of contract execution. Projects taking longer than these timelines are subject to termination. Applicants will need to demonstrate their projects are meeting the timeliness requirement by submitting proposed VINs or other documentation showing the proposed vehicles can be delivered quickly.

No funding is available to help replace diesel vehicles to comply with the Air Resource Board (ARB) Truck and Bus Regulation. SECAT funded vehicles cannot be used to comply with ARB Advanced Clean Fleet (ACF) requirements. The ARB passed ACF with the expectation that fleets would pay 100% of the compliance cost without any assistance.

The Public Works department is recommending the purchase of five battery electric vehicles for the purpose of increasing the size of the motor pool fleet located at City Hall, with the ultimate goal of increasing the motor pool fleet accessibility to all City departments and decreasing the size of the outdated and under-utilized department assigned vehicle fleet.

### **POLICY / RULE**

The City Council adopted Resolution No. 10405 Amending Financial Policies of the City of Folsom regarding grant administration on April 14, 2020. Section D – Intergovernmental Revenues, Paragraph A – Grant Applications states, “Grant application shall be the responsibility of the department seeking the grant. Grant applications which require an expenditure of funds by the City of less than or equal to the City Manager contract authority amount may be approved by the City Manager prior to submittal to the grantor. All other grant

applications, including any requiring an ongoing commitment of resources or staff, shall be reviewed and approved by the City Council prior to submittal. In circumstances where it is not possible for the City Council to approve the grant application prior to submittal, the City Manager may approve the application subject to the City Council ratification as soon as practicable to do so.

Requests to the City Council or the City Manager for approval of a grant application shall identify anticipated long-term maintenance and/or renovation costs, required City matching funds, and additional personnel that may be needed if the grant is awarded for a capital project. With respect to grants for staffing, the source of funds for long-term staffing after the expiration of the grant shall also be identified in the request for approval of the grant application.

All grant applications on behalf of the City shall be reviewed by the Finance Director before submittal to the City Council or the grantor.”

### **ANALYSIS**

The SECAT grant application opened on May 9, 2024. Staff have reviewed the program guidelines and determined the best use of SECAT funding is light duty vehicles. ACF requires that fifty percent of medium and heavy-duty vehicles purchased be zero emission. Using SECAT funding for these vehicles would eliminate them from counting toward city compliance. The city needs as many ACF credits as possible to offset purchases of traditional combustion engine vehicles. Non-compliance with ACF could result in fines and ineligibility for grant funding. In addition, most medium and heavy-duty vehicles operated by the city are custom vehicles that could not be deployed in the timeframe required by SECAT. Transitioning to zero emission light duty vehicles before it is mandated provides the opportunity to use grant funding without impacting compliance. SACOG staff intend to review and approve applications as soon as possible upon receipt. Applicants approved for more than \$1,000,000 in SECAT funding will require approval by the SACOG Board of Directors which will delay the process, but most may get awards within 30 days.

### **FINANCIAL IMPACT**

There is no direct financial impact associated with this action at this point. Should the City be awarded grant funding for the purchase of the recommended five vehicles, the City would be required to provide the full purchase cost of the five vehicles up front, with \$100,000 to be reimbursed by SECAT once the proper reports are filed. The up front purchase cost of the five battery electric vehicles is expected not to exceed \$230,000, with a final cost to the City expected not to exceed \$130,000 after receiving the \$100,000 grant reimbursement. Future savings of maintenance and fuel costs could amount to as much as \$1,500 per year.

The required funding for the purchase cost of the five battery electric vehicles was not included in the Fiscal Year 2023-24 Budget, nor is it included in the Proposed Fiscal Year 2024-25 Budget. Should the City be awarded grant funding a staff will return to Council to accept the grant and request an appropriation not to exceed \$230,000 for the purchase of the vehicles from

the General Fund (Fund 010). The grant funding received would be credited to the General Fund (Fund 010).

**ENVIRONMENTAL REVIEW**

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

**ATTACHMENTS**

Resolution No. 11208 - A Resolution Authorizing Staff to Submit a Grant Application to the Sacramento Metropolitan Air Quality Management District for the 2024 Sacramento Emergency Clean Air Transportation Program Funding Round for the Purchase of Five Light Duty Battery Electric Vehicles

Submitted,

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Mark Rackovan, PUBLIC WORKS DIRECTOR

**RESOLUTION NO. 11208**

**A RESOLUTION AUTHORIZING STAFF TO SUBMIT A GRANT APPLICATION TO THE SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FOR THE 2024 SACRAMENTO EMERGENCY CLEAN AIR TRANSPORTATION PROGRAM FUNDING ROUND FOR THE PURCHASE OF FIVE LIGHT DUTY BATTERY ELECTRIC VEHICLES**

**WHEREAS**, the Sacramento Metropolitan Air Quality Management District (SMAQMD) is the metropolitan planning organization responsible for allocating clean air incentive program funds for the County of Sacramento; and

**WHEREAS**, Sacramento Area Council of Governments (SACOG) has issued a call for applications for the 2024 Sacramento Emergency Clean Air Transportation (SECAT) Program funding round; and

**WHEREAS**, the City of Folsom has identified a project that is a candidate for SECAT funds; and

**WHEREAS**, the project identified, if approved for grant funding, will require the expedient purchase of five battery electric vehicles at a purchase price not to exceed \$230,000; and

**WHEREAS**, should the grant be awarded, staff will return to Council to accept the grant and request an appropriation not to exceed \$230,000 for the purchase of the five vehicles from the General Fund (Fund 010); and

**WHEREAS**, grant funding received would be credited to the General Fund (Fund 010).

**WHEREAS**, after reimbursement, the net impact to the General Fund (Fund 010) would not exceed \$130,000.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes staff to submit a grant application to the Sacramento Area Council of Governments for the 2024 Sacramento Emergency Clean Air Transportation Program funding round for the purchase of five light duty battery electric vehicles.

**PASSED AND ADOPTED** this 28<sup>th</sup> day of May 2024, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK