



CITY OF
FOLSOM
Dedicated to the Future

Folsom City Council Staff Report

MEETING DATE:	12/14/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10766 – A Resolution Accepting a Grant from the Sacramento Metropolitan Air Quality Management District for Sacramento Emergency Clean Air and Transportation Program Funding for Two Zero Emission Electric Refuse Trucks
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10766 – A Resolution Accepting a Grant from the Sacramento Metropolitan Air Quality Management District for Sacramento Emergency Clean Air and Transportation Program Funding for Two Zero Emission Electric Refuse Trucks.

BACKGROUND / ISSUE

The Folsom 2035 General Plan adopted by the Folsom City Council includes a goal of reducing the consumption of carbon-intensive fuels. In Fiscal Year 2020-21 the City of Folsom purchased 217,000 gallons of diesel fuel. Nearly 90 percent of that was utilized in the City’s fleet of refuse collection vehicles. The exhaust from diesel engines exposes the community to dangerous green-house gas emissions. Converting to electric refuse trucks has the potential to significantly reduce green-house gas emissions produced by City operations. In addition, while the initial purchase price of an electric refuse truck far exceeds the cost of the diesel trucks, the operating cost is much lower, so long term savings are expected.

As authorized by Resolution No. 10617, the Solid Waste Division (Division) applied for \$200,000 of Sacramento Emergency Clean Air and Transportation Program (SECAT) funding on March 30, 2021. The City has been notified by the administering agency, Sacramento Metropolitan Air Quality Management District (SMAQMD), that our project was approved for funding.

Due to the high cost of electric refuse vehicles, the Division is working to maximize the use of grant funding to pilot two trucks. To secure the SMAQMD funding, it is necessary to enter into an agreement accepting the terms of this grant; however, this does not obligate the City to complete the project. The agreement will secure the funding in the event the City decides to complete the project within the specified timeframe.

This grant is eligible to stack with a previous grant award of \$102,361 from SMAQMD and with our award of \$240,000 from the Hybrid and Zero-emission Truck and Bus Voucher Incentive Project (HVIP). Stacking of these three funding sources is the highest level of funding available to date. If the Division is able to secure all three funding sources, the Division will opt for this funding over the grant of Volkswagen Mitigation Funds (VW) in the amount of \$400,000 that cannot be combined with any of the others.

POLICY / RULE

The City Council Adopted Resolution No. 7332 Financial Policies of the City of Folsom on May 25, 2004. Section D – Intergovernmental Revenues, Paragraph C – Grant Project Resolutions states, “All grants received from the Federal or State government for operating or capital purposes shall be recognized in separate grant project resolutions. A balanced grant project resolution must be adopted prior to beginning the project.”

ANALYSIS

The Division has applied for and been awarded four grants toward the purchase of two electric refuse trucks. The VW funding is the single largest funding source at \$400,000. Since the award of the VW funding the Division became aware of the availability of a SECAT grant that is stackable and when combined provides funding higher than VW. With this Resolution, the Division seeks to secure \$200,000 in SECAT funding, making the stackable funding the highest combination of funding for this project.

This technology has the potential to eliminate emissions from refuse collection vehicles; however, since the technology is relatively new and very costly, the Division would like to purchase two residential side loaders, which are the largest portion of the collection fleet, to pilot the technology and evaluate the effectiveness within the operation.

The Lion Electric Co. has been awarded a cooperative bidding contract from the California Department of General Services for Class 8 refuse trucks. The Lion Class 8 trucks are 100 percent electric so in addition to eliminating emissions, they will eliminate the possibility of hydraulic spills which are costly to clean up and leave stains on City streets. The purchase price for two Lion Electric Co. refuse trucks is estimated at \$1,300,000.

The cost of the vehicles less available funding is expected to make the purchase price comparable to the amount we would pay for a residential side loader. The cost of a side loader in fiscal year 2021-22 is approximately \$400,000. The reduced cost of electricity versus fuel

and lower maintenance cost are expected to provide year over year savings. When final vehicle specifications and cost are determined, staff will provide a return-on-investment analysis and request authorization to start the project.

In addition to the truck purchase price, the Division would also need to invest in charging infrastructure. The Division previously reported an estimate of approximately \$93,000 as provided by an electrician contracted by Sacramento Municipal Utility District (SMUD). Since then, it has been determined that an additional transformer or a transformer upgrade will be necessary for the charging infrastructure. An updated estimate is not available at this time but is expected to be much higher than the original estimate. Infrastructure planning will include conduit and power necessary to minimize the impact of expanding the electric refuse fleet in the future. SMUD has funding available to contribute to the cost of infrastructure; however, no funding has been secured for the infrastructure at this time.

FINANCIAL IMPACT

Acceptance of the SECAT grant does not have a direct financial impact. Upon final determination of all available funding and project costs, the Division will request approval to proceed with the purchase of two electric refuse vehicles. If the purchase is made using both grants from SMAQMD combined with HVIP, there would be an initial outlay of Solid Waste enterprise funds of approximately \$970,000. After reimbursement from the grant the net cost to the City is estimated at \$730,000. The purchase price of equivalent diesel trucks is \$800,000. The electric vehicles are also expected to have a lower overall cost of ownership due to reduced fuel and maintenance cost.

ENVIRONMENTAL REVIEW

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

ATTACHMENT

Resolution No. 10766 – A Resolution Accepting a Grant from the Sacramento Metropolitan Air Quality Management District for Sacramento Emergency Clean Air and Transportation Program Funding for Two Zero Emission Electric Refuse Trucks

Submitted,



Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 10766

A RESOLUTION ACCEPTING A GRANT FROM THE SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT FOR SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION PROGRAM FUNDING FOR TWO ZERO EMISSION ELECTRIC REFUSE TRUCKS

WHEREAS, the Folsom 2035 General Plan includes a commitment to reduce the consumption of carbon-intensive fuels through the purchase of more efficient vehicles; and

WHEREAS, the Solid Waste Division desires to purchase two electric refuse vehicles to pilot the feasibility of the technology within the City of Folsom waste collection operation; and

WHEREAS, the Sacramento Metropolitan Air Quality Management District (SMAQMD) provides funding for zero emission vehicles through the Sacramento Emergency Clean Air and Transportation Program (SECAT); and

WHEREAS, in March 2021 the Solid Waste Division applied for SECAT funding for the purchase of two zero emission electric refuse vehicles and disposal of two diesel refuse vehicles; and

WHEREAS, the Solid Waste Division was approved for grant funding in the amount of \$200,000; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes the City Manager to execute an agreement with the Sacramento Metropolitan Air Quality Management District accepting Sacramento Emergency Clean Air and Transportation grant funding in the amount of \$200,000.

PASSED AND ADOPTED this 14th day of December 2021, 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