



## City of Grass Valley City Council Agenda Action Sheet

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**Title:** SB 1383 - Purchase Energy Credits to meet requirements

**CEQA:** Not a Project.

**Recommendation:** That Council 1) approval the concept of the City purchasing Energy Credits to meet the SB 1383 requirements; 2) authorize the City Manager to negotiate and execute an agreement with Desert View Power LLC not exceed \$70,000, subject to legal review; and 3) authorize the Administrative Services Director to make any necessary budget adjustments and/or transfers to implement this agreement.

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**Prepared by:** Timothy M. Kiser, City Manager

**Council Meeting Date:** June 13, 2023

**Date Prepared:** June 9, 2023

**Agenda:** Consent

**Background Information:** The California State Senate Bill (SB) 1383 requires local jurisdictions to purchase recycled organic mulch/compost products and/or energy credits derived from using recycle mulch/compost products to create the energy. SB 1383 requires the City of Grass Valley based upon our size to purchase 1,991 tons of recycled mulch generated by SB 1383 requirements over the next three years. Not knowing the quality of mulch/compost (how much foreign material will be allowed {i.e. plastic, etc.}), the City is unsure how this much mulch could be used if purchased and trucked to the City. Pioneer Community Energy on behalf of their members evaluated the purchasing of energy credits on behalf of their members and negotiated a template contract for member agencies to purchase the credits in leu of purchasing the mulch/compost.

Staff is recommending the City moved forward with purchasing the energy credits for the first three years at a cost similar to purchasing the mulch/compost for use in the City. Attached is final draft contract for Council information.

**Council Goals/Objectives:** The execution of this action attempts to achieve Strategic Goal #5 - High Performance Government and Quality Service.

**Fiscal Impact:** The fiscal impact to the General Fund for total agreement is estimated at \$59,500 (First Year \$9,140, Second Year \$19,840, and Third Year \$30,520). There are sufficient funds in the General Fund to cover these costs.

**Funds Available:** Yes

**Account #:** General Fund

**Reviewed by:** Tim Kiser, City Manager

**Attachments:** Procurement Compliance Attribute Purchase Agreement