



# Agenda Report

**MEETING DATE:** Tuesday, July 12, 2022

**TO:** City Council

**FROM:** PUBLIC WORKS & UTILITIES DIRECTOR DI RENZO  
TOTO VU-DUC, SENIOR ENVIRONMENTAL PROJECTS ANALYST

**SUBJECT:** ACCEPTING A \$250,000 GRANT FROM CENTRAL COAST  
COMMUNITY ENERGY (CCCE) FOR AN ELECTRIC REFUSE TRUCK,  
AND APPROPRIATING SUCH FUNDS TO THE SPECIAL GRANTS  
FUND (0260)

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## **STATEMENT OF ISSUES:**

The City applied for and was awarded \$250,000 in grant funding to offset the cost of an electric refuse collection truck. The grant is from Central Coast Community Energy (CCCE).

## **RECOMMENDED ACTION:**

Staff recommends that the City Council adopt a resolution accepting the \$250,000 from Central Coast Community Energy, authorizing the City Manager to execute all agreements and any amendments which may be necessary, and appropriating such funds to the Special Grants Fund [0260].

## **DISCUSSION:**

The City committed to electrify its fleet as part of the Watsonville 2030 Climate Action & Adaptation Plan. Electric vehicles are powered by carbon-free (and largely renewable) electricity sourced from CCCE, providing a viable alternative to meet City transport needs while reducing carbon emissions from fossil fuels. Electric vehicles cost less to own and operate than comparable fossil fuel-powered vehicles, but tend to be more expensive than traditional vehicles to purchase.

To support industries like Solid Waste (which rely on heavy-duty, diesel-powered vehicles) make the shift into cleaner, electric-powered fleets, various agencies provide limited funding to off-set this purchase cost premium. On April 26, 2022, City Resolution 76-22 accepted and appropriated \$300,000 in grant funding from the Monterey Bay Unified Air Pollution Control Board (MBARD) toward the purchase of an electric refuse truck and the retirement of an equivalent diesel-powered one.

CCCE has awarded an additional grant in the amount of \$250,000 towards an electric refuse truck as part of its Member Agency Medium and Heavy Duty (MDHD) Vehicle Electrification Program Rebate. These funds can be combined with other grants and do not require a match.

**STRATEGIC PLAN:**

This action is consistent with Strategic Plan Priority:

3 - Infrastructure and Environment

**FINANCIAL IMPACT:**

Accepting this grant will go towards the \$769,398.74 cost to purchase a fully equipped Mack electric refuse truck. The \$250,000 from CCCE combined with the MBARD funding will off-set the purchase of a new electric refuse truck by \$550,000. The replacement of one traditional diesel-powered side-loader refuse truck was budgeted as part of the FY 22/23 CIP so funds will be available to offset the incremental costs. Proceeds from the \$250,000 CCCE grant are to be appropriated to the Special Grants Fund [0260] Project #14353.

**ALTERNATIVE ACTION:**

Council may choose not to accept the grant award. Without the grant award it is unlikely that the City will pursue purchasing an electric vehicle this year. If the City does not approve the purchase of an electric refuse vehicle this year, the City will also be forgoing the appropriated \$300,000 funding (Resolution 76-22), which is dependent on a vehicle purchase before December 31, 2022.

**ATTACHMENTS AND/OR REFERENCES (If any):**

1. Letter of Intent to fund \$250,000 towards the purchase of an all-electric refuse truck from Central Coast Community Energy and extension through August 2022.