



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 8

Section Name: {{section.name}}

Account Number: 10-1311

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TO: City Council
FROM: Alex Khojikian, City Manager
PREPARED BY: City Manager's Office
MEETING DATE: December 9, 2024
SUBJECT:
Peninsula Clean Energy (PCE) Member Agency Grant — Agreement

RECOMMENDATION:

Adopt a Resolution to accept grant funds in the amount of \$1,406,718 from Peninsula Clean Energy (PCE) for the implementation of clean energy projects and to appropriate the grant funds to the applicable capital improvement program projects and various operating funds; approve the PCE Member Agency Grant Agreement; and authorize the City Manager to execute all required documentation to receive the funds.

BACKGROUND:

Peninsula Clean Energy (PCE) is a joint powers authority developed in 2016 to reduce greenhouse gas emissions by providing electricity from clean energy sources. The PCE Board of Directors authorized a one-time allocation of \$11.5 million in surplus funds for member agencies to implement local energy projects through the PCE Member Agency Grant Program. This is a noncompetitive funding source for which the City of San Mateo is eligible for \$1,406,718. Eligible projects must align with PCE's goal of carbon neutrality through the advancement of electrification of transportation and buildings.

Through multidepartment collaboration, staff identified a number of different projects for this funding source. Staff then narrowed it down to five projects that meet the constraints of the grant program and align with the City's Climate Action Plan and City Council's priorities. The following table summarizes the five projects, and their estimated budget allocation included in the City's PCE Member Agency Grant application:

<i>Project Name</i>	<i>Estimated Budget</i>
1. EV Charging Infrastructure for City Fleet	\$500,000
2. Electrifying Marina Library	\$395,000
3. High Voltage Streetlight Conversion	\$332,718
4. Electric Landscaping Equipment for City Operations	\$135,000
5. Pilot Electric Motorcycles for Police Department	\$44,000
<i>Total</i>	<i>\$1,406,718</i>

The PCE Member Agency Grant will fully fund the City's transition to electric landscaping equipment in City parks and the purchase of two electric motorcycles for the Police Department which are estimated to cost \$135,000 and \$44,000, respectively. These budget appropriations are anticipated to be adjusted at the midcycle budget review after the purchase of the various equipment and verification of final equipment costs. The PCE Member Agency Grant will provide partial funding to three Capital Improvement Program (CIP) projects including the electric vehicle charging infrastructure for City

fleet, the Marina Library Structural Improvement Project, and the high voltage streetlight conversion in the amount of \$1,227,718. These projects are also partially funded by other grants, rebates, and funding sources.

On November 21, 2024, the PCE Board of Directors approved the City of San Mateo's Member Agency Grant Agreement including the five proposed projects. Staff recommends City Council adopt a resolution to accept the grant funding in the amount of \$1,406,718 and appropriate grant funds to applicable CIP projects and various operating funds; approve the PCE Member Agency Grant Agreement with PCE; and authorize the City Manager to execute all required documentation to receive the funds. The timeline for each of the five projects varies. Funding must be expended within two years. The City will receive 50 percent of the funding (\$703,359) upon execution of the agreement, allowing staff to move forward with project work immediately.

BUDGET IMPACT:

Acceptance of the PCE Member Agency Grant does not require local match. PCE Member Agency Grant funding will be appropriated to Capital Improvement Program projects including \$500,000 to the Green Fleet Charging Infrastructure Project 46C003, \$395,000 to the Marina Library Structural Improvement Project 665100, and \$332,718 to the High Voltage Streetlight Conversion Project 460040. The remaining grant funds will be appropriated to various operating funds in the amounts of \$10,000 to Fund 190, \$40,000 to Fund 810, \$85,000 to Fund 100 and \$44,000 to Fund 200 to support the purchase of electric landscaping equipment for City operations and the purchase of electric motorcycles for the Police Department.

ENVIRONMENTAL DETERMINATION:

Adoption of a resolution to accept grant funds, approval of a grant agreement, and the appropriation of grant funds to partially fund the EV Charging Infrastructure, Marina Library Electrification, and High Voltage Streetlight Conversion projects are exempt from CEQA as "existing facilities." These projects consist of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. This is because each of these projects are intended to only include minor installations and upgrades of existing City owned structures without any changes in their use. (CEQA Guidelines Section 15301.) In addition, the appropriation of these grant funds to fund electric landscape equipment and electric police department motorcycles are exempt from CEQA review under the "common sense" exemption, in that it can be seen with certainty that there is no possibility that these activities in question may have a significant effect on the environment. (CEQA Guidelines Section 15061(b)(3).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Proposed Resolution

Att 2 – PCE Member Agency Grant Agreement

STAFF CONTACT

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