

Agenda Report

June 15, 2026

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE ALL AGREEMENTS TO RECEIVE GRANT FUNDS IN THE AMOUNT OF \$4,615,000 FOR THE PASADENA WATER AND POWER AND PUBLIC WORKS DEPARTMENTS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061(b)(3), the "common sense" exemption that CEQA only applies to projects that may have an effect on the environment; and,
2. Authorize the City Manager to execute all agreements required to receive and administer the United States Environmental Protection Agency ("EPA") Clean Heavy-Duty Vehicles ("CHDV") grant funds in the amount of \$4,615,000.

BACKGROUND:

The United States EPA CHDV Program provides grant funding to public agencies to accelerate the transition from conventional combustion-powered heavy-duty vehicles to zero-emission alternatives. Funded through the Inflation Reduction Act, the program is intended to reduce greenhouse gas emissions, improve air quality, and advance national climate and public health objectives by offsetting the higher upfront costs of zero-emission heavy-duty vehicles and associated infrastructure.

The EPA has awarded the City of Pasadena CHDV grant funds in the amount of \$4,615,000 (Grant No. 97T31501), as documented in the grant agreement dated December 19, 2024, for activities including, but not limited to, replacing 17 eligible Internal Combustion Engine ("ICE") Class 6 and Class 7 vehicles with eligible Zero-Emission Vehicles ("ZEV") for Pasadena Water and Power ("PWP") and Public Works Departments, and purchasing, installing, operating, and maintaining charging equipment. Of the total grant amount, \$2,275,000 are allocated to PWP and \$2,340,000 are allocated to the Public Works department.

Accept Clean Heavy Duty Vehicle Grant

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On July 21, 2025, the City Council authorized the Department of Public Works to purchase nine electric heavy-duty trucks and appropriate their portion of these funds to support this purchase.

PWP's share of the grant funds will support replacement of eight ICE vehicles with ZEVs:

- The purchase of six ZEV step vans was approved by the City Council on January 27, 2025; and
- PWP is exploring available options in the market to move forward with the purchase of the remaining two ZEVs.

The grant funds will also support the installation of additional electric vehicle charging infrastructure at the City Yards to support the new ZEVs.

Acceptance and administration of these remaining grant funds require City Council authorization to execute all agreements and related documents required by the EPA.

COUNCIL POLICY CONSIDERATION:

Approval of the recommended action will support the City's Climate Action Plan ("CAP") by transitioning a portion of the heavy-duty fleet to zero-emission vehicles, reducing greenhouse gas emissions in the process. This initiative aligns with the City's proactive approach to fleet electrification and its goal of becoming carbon-free by 2030.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the "common sense" exemption that applies to projects that do not have the potential for causing a significant effect on the environment. The acceptance of grant funds for the purchase of electric vehicles and charging infrastructure is an administrative action and will not have a significant environmental impact.

FISCAL IMPACT:

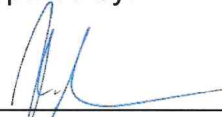
Approval of the recommended action will result in the total grant award of \$4,615,000. Of this amount, PWP will receive \$2,275,000, and Public Works will receive \$2,340,000 from the EPA CHDV program to support the procurement of ZEVs and associated charging infrastructure. PWP's share of these grant funds will be applied to PWP's Capital Improvement Program #03500 (Purchase of Vehicles and Equipment – Power Fund). Per the grant requirements, this project includes a mandatory 55.21% recipient cost-share element to be funded out of PWP's Capital Improvement Program #03225 (EV Charging Infrastructure) and CIP #03500. The grant funds will partially offset the originally planned funding source, and the project budgets will remain unchanged. Additionally, as previously authorized on July 21, 2025, Public Works' FY 2026 Operating Budget was already increased by \$2,340,000 to account for its portion of the EPA CHDV grant. There is no impact to the General Fund.

Respectfully submitted,



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