

October 20, 2026

To: Honorable Mayor and City Councilmembers
From: Oriana Hart, Public Works Director
Department: Public Works
Subject: Approval of Financing for Replacement Vector Truck

That the City Council authorize the City Manager to execute financing documents for the purchase of a replacement Vactor truck at an acquisition cost not to exceed \$521,786.53, with a \$100,000 down payment and the remaining balance financed, subject to the following parameters: a financing term not to exceed five years, an interest rate not to exceed 6.13%, and quarterly payments, or more favorable terms. Staff will obtain and confirm updated pricing and financing terms prior to execution of the financing agreement.

- Presentation of Agenda item by the Requestor or Responsible Department
- Questions and Discussion from Councilmembers
- Public Comment Period
- Presentation Received

The Public Works Department relies on its Vactor truck as essential specialized equipment for maintaining the City's wastewater, storm drain, and water infrastructure. The existing Vactor was manufactured in 2008 and has been in service for approximately 17 years. The truck is used routinely to clean sewer mains and manholes, clear storm drains, respond to sewer emergencies, perform hydro-excavation, and support water and utility repairs. The existing truck has reached the end of its anticipated service life and is increasingly difficult and costly to maintain. Failure of this specialized equipment could affect the City's ability to respond promptly to sewer blockages, sanitary sewer overflows (SSOs), storm drainage issues, and emergency utility repairs. Delayed response could increase the potential for property damage, environmental impacts, cleanup costs, and liability exposure for the City.

The existing vehicle also has emissions compliance concerns due to its age and diesel engine configuration. Replacing it with a current model Vector will provide more reliable equipment for essential Public Works operations and address applicable emissions requirements. The replacement Vector is estimated to cost \$521,786.53. The proposed financing includes a \$100,000 down payment, with the remaining balance financed over five years. The replacement was contemplated in the City's 2024 Water and Wastewater Rate Study, and the anticipated debt service was incorporated into the financial assumptions supporting the adopted rates.

The Public Works Department maintains specialized equipment necessary to operate and maintain the City's water, wastewater, storm drainage, and street infrastructure. Because this equipment supports essential services and often cannot be readily substituted with standard fleet vehicles, the City has historically targeted a 15 year replacement cycle for major equipment. The City's existing Vactor truck was manufactured in 2008 and is an International 4300 SBA 4x2 equipped with a MaxxForce DT 225-horsepower diesel engine and a 25,999-pound gross vehicle weight rating (GVWR). The truck has been in service for approximately 17 years and is one of the Department's most heavily relied upon specialized assets. It is used throughout the year to clean sewer mains and manholes, clear storm drains, respond to sewer emergencies, perform hydro-excavation, and support water and utility repairs.

The existing Vactor has reached the City's targeted replacement age and is increasingly difficult and costly to maintain. Continued operation increases the risk of mechanical failure, unplanned downtime, and escalating repair



costs. Because the Vactor is specialized equipment essential to routine maintenance and emergency response, an extended period of downtime could significantly affect the City's ability to maintain its infrastructure and respond to sewer blockages, sanitary sewer overflows, storm drainage issues, and emergency utility repairs.

The vehicle's diesel engine and emissions-control technology also predate current California Air Resources Board (CARB) emissions standards. The City's replacement planning must account for applicable emissions requirements, in addition to the vehicle's age, maintenance needs, and continued operational reliability. Replacing the existing Vactor will allow the City to maintain the specialized equipment necessary to support its water, wastewater, and storm drainage operations.

DISCUSSION:

Vactor truck combines high-pressure water jetting and vacuum capabilities in one specialized vehicle. Public Works uses the truck to clean and maintain approximately 30 miles of gravity sewer and associated manholes, clear storm drain infrastructure, respond to sewer blockages and sanitary sewer overflows (SSOs), vacuum material from utility structures, and support emergency water and sewer repairs. The truck also provides hydro-excavation capabilities when work around existing utilities requires controlled excavation, allowing staff to expose underground utilities while reducing reliance on conventional mechanical excavation equipment. The Vactor is critical to the City's sewer collection system. Routine sewer cleaning helps maintain system capacity and reduces the potential for blockages and SSOs. During an emergency, the ability to immediately jet and vacuum a sewer line can allow staff to resolve a blockage, contain a spill, and recover wastewater from the streets and storm drain system before impacts worsen. The equipment is also routinely used to remove accumulated sediment and debris from storm drain structures and pipelines. During water main and other utility repairs, the truck supports excavation, debris removal, and other activities that would otherwise require additional equipment or outside contractors.

Without an operational Vactor, the City would need to rely more heavily on outside contractors for routine sewer cleaning, emergency blockage response, storm drain maintenance, and certain utility repairs. Contractor availability during an emergency cannot be guaranteed, and reliance on outside services may increase response times and costs. Delayed response to a sewer blockage or SSO could allow additional wastewater to escape, potentially resulting in property damage, contamination of storm drains or receiving waters, increased cleanup and restoration costs, regulatory enforcement, third-party claims, legal expenses, and potential liability for the City. Depending on the circumstances, an incident could also result in environmental impacts and additional investigation or remediation requirements. These costs and consequences are incident-specific and cannot be reliably quantified in advance. Having a functioning Vactor immediately available does not eliminate the risk of an SSO, but it provides the City with an important resource to respond promptly, limit spill duration and volume, and recover wastewater.

Used Equipment Evaluation

Staff has reviewed, and will continue to evaluate through completion of the procurement, available used Vactor trucks as a potential alternative to purchasing new. Preliminary market research indicates that used units approximately five years old or newer costs approximately \$400,000, representing a savings of about \$121,787, or 23%, compared with the proposed new truck. To meet the City's operational needs, any used truck must have a gross vehicle weight rating (GVWR) of no more than 26,000 pounds, a single rear axle, 500–600 gallons of fresh water capacity, and a three cubic yard debris tank. The GVWR limit is intended to avoid triggering a commercial driver's license requirement based on vehicle weight, as City crew members do not currently hold CDLs. Staff is focusing on trucks located in California and will verify applicable CARB emissions requirements and compliance before purchase; location in California alone does not establish compliance.

Although a used truck could reduce the initial purchase cost, used equipment may have limited remaining warranty coverage, an unknown maintenance history, and unforeseen mechanical issues. Based on the City's assumed 15-year replacement cycle, a five-year-old truck would have approximately 10 years of service life remaining, depending on its condition and maintenance history. For comparison, a \$400,000 used truck with a \$100,000 down payment and



the remaining \$300,000 financed over five years at an assumed 6.13% interest rate would have an estimated total cost of approximately \$450,595, including approximately \$50,595 in financing costs. This assumes financing terms comparable to those proposed for the new truck; actual terms for a used vehicle may differ. Over an assumed 10 years of remaining service life, the used truck would cost approximately \$45,060 per year. The proposed new truck, at \$521,786.53, would have an estimated total cost of approximately \$592,921, including approximately \$71,134 in financing costs. Assuming a 15-year service life, the new truck would cost approximately \$39,528 per year. Based on these estimates, the used truck would cost approximately \$5,531 more per year of service life than the new truck when financing is included. These estimates exclude maintenance, repairs, resale value, and differences in warranty coverage. Staff will continue to evaluate suitable used options and compare their condition, available financing, and anticipated total costs against the new truck before finalizing the purchase.

The replacement of the Vactor was included in the City's 2024 Water and Wastewater Rate Study, which informed the five year rate increases subsequently adopted by the City. The financial plan incorporated the anticipated debt service associated with the Vactor replacement when calculating the revenue requirements used to establish the adopted rates. As a result, the proposed financing payment is already accounted for in the rate study assumptions and would not require an additional rate increase. The financing represents an anticipated expenditure within the financial plan that supported the previously adopted rate increases, rather than a new cost requiring additional revenue from ratepayers.

STAFF ANALYSIS:

The proposed replacement of the City's Vactor truck should be considered in terms of the City's ability to respond to sanitary sewer overflows (SSOs), particularly during overnight and after-hours emergencies when outside equipment may not be immediately available. If the City's Vactor is out of service, staff may need to locate an available contractor or coordinate with another agency, such as the City of Santa Rosa, to obtain suitable equipment. The time required to confirm availability, arrange dispatch, and mobilize a truck could result in a delay of several hours. No guaranteed after-hours response time has been established. During this delay, wastewater may continue to discharge, potentially increasing the volume entering nearby storm drains and the Laguna de Santa Rosa.

The potential volume released during a delayed response can be significant. For illustration, a continuing discharge of 5 gallons per minute (gpm) would release approximately 300 gallons in one hour and 900 gallons over three hours. These are illustrative scenarios, not estimates of the City's average SSO volume. Actual spill volumes depend on the flow rate, location, duration, and the ability of staff to isolate the flow or implement containment measures before a Vactor arrives. These examples demonstrate the importance of rapid spill response, as even a short delay can significantly increase the volume released. If sewage reaches a storm drain that discharges to the Laguna de Santa Rosa, unrecovered wastewater may be conveyed directly to receiving waters. A sewage discharge to surface water can trigger regulatory notification, monitoring, and reporting requirements under the State Water Resources Control Board's Sanitary Sewer Systems General Order. Depending on the circumstances, the City may also face costs associated with cleanup, environmental investigation, remediation, regulatory enforcement, third-party claims, and potential litigation. These consequences cannot be reliably quantified in advance and would depend on the volume discharged, the receiving environment, the extent of impacts, and the City's response.

Maintaining a functioning Vactor locally provides Public Works staff with immediate access to the specialized equipment needed to clear sewer blockages, contain spills, and recover wastewater. Although replacement equipment cannot eliminate the risk of an SSO, it reduces dependence on outside equipment availability and supports a more timely response that may limit spill volume, environmental impacts, and associated costs. The proposed replacement has an acquisition cost of \$521,786.53. The City proposes to make a \$100,000 down payment and finance the remaining \$421,786.53.



Based on the financing proposal received from Ascentium Capital, the following terms were provided:

Purchase Price: **\$521,786.53**

Down Payment: **\$100,000**

Amount Financed: **\$421,786.53**

Option	Financing Term	Annual Payment	Total Paid by City	Total Interest & Financing Cost
Option 1 (Recommended)	5 Years	\$98,584	\$592,921	\$71,134
Option 2	6 Years	\$84,523	\$607,138	\$85,351
Option 3	7 Years	\$74,583	\$622,082	\$100,295

The terms above are therefore provided as the basis for the requested financing authorization. Staff will obtain updated financing terms prior to execution and will accept only terms that remain within the parameters authorized by the City Council. The five-year financing option has the lowest overall financing cost and allows the City to match the financing period more closely with the useful life of the equipment. Staff therefore recommends authorization for a term not to exceed five years and an interest rate not to exceed 6.13%, with authority to accept more favorable terms if available.

CITY COUNCIL GOALS/PRIORITIES/AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

- Goal 3 – Infrastructure. Maintaining high quality infrastructure, facilities and services includes repairing/ replacing outdated city facilities, improving streets, stormwater and wastewater infrastructure.

This agenda item represents the City Council General Plan Consistency (if applicable):

- Circulation CIR 1-11: Provide high quality regular maintenance for existing and future transportation facilities including streets, sidewalk, and paths.

PUBLIC COMMENT:

This agenda item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date. As of the writing of this staff report, the City has not received any public comment on this item. However, if staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

FISCAL IMPACT:

The purchase price of the replacement Vector is \$521,786.53. The proposed financing includes a \$100,000 down payment and financing of the remaining \$421,786.53 over five years at an interest rate of 6.13%. Quarterly payments are approximately \$24,646.05, equivalent to annual debt service of approximately \$98,584. Total payments over the five-year term would be approximately \$592,921, including approximately \$71,134 in interest and financing costs. The anticipated debt service was included in the City's 2024 Water and Wastewater Rate Study, which informed the five-year rate increases subsequently adopted by the City. Accordingly, the financing payment was incorporated into the financial assumptions supporting the adopted rates and would not, by itself, require an additional rate increase.

Deferring the purchase would avoid the immediate financing commitment but would leave the City dependent on its existing Vector, with continued maintenance costs and increasing risk of equipment failure. If the vehicle becomes unavailable, the City's ability to respond promptly to sewer blockages and sanitary sewer overflows could be



compromised. Delayed response could allow additional wastewater to enter storm drains and potentially reach the Laguna de Santa Rosa, increasing the potential for environmental impacts, cleanup costs, regulatory consequences, and liability for the City. These risks and associated costs are difficult to quantify in advance. Staff will obtain updated financing terms prior to execution of the financing agreement. The City Manager's authorization will be limited to financing terms that do not exceed the parameters approved by the City Council.

Option	Annual Payment	Total Interest & Financing Cost
5 Years (Recommended)	\$98,584	\$71,134
6 Years	\$84,523	\$85,351
7 Years	\$74,583	\$100,295

RESTATED RECOMMENDATION:

That the City Council authorize the City Manager to execute financing documents for the purchase of a replacement Vactor truck at an acquisition cost not to exceed \$521,786.53, with a \$100,000 down payment and the remaining balance financed, subject to a financing term not to exceed five years, an interest rate not to exceed 6.13%, and quarterly payments, or more favorable terms.

CITY COUNCIL OPTION(S):

1. Approve the Purchase and Financing as Proposed: Authorize the purchase of the replacement Vactor truck for \$521,786.53, with a \$100,000 down payment and financing of the remaining balance over five years at 6.13% interest.
2. Approve the Purchase and Financing with Modified Financing Parameters: Authorize the purchase of the replacement Vactor truck while directing staff to negotiate or revise the financing terms, including the down payment, loan term, interest rate, or payment schedule.
3. Deny the Purchase: Decline to authorize the purchase and financing at this time. The City would continue operating the existing Vactor, accepting the associated risks of equipment failure, delayed emergency response, and potential financial, environmental, and liability consequences if the vehicle becomes unavailable during an emergency.

ATTACHMENT(S):

1 – Resolution

APPROVALS:

Department Head Approval:	Approval Date: 9/8/26
CEQA Determination (Planning):	Approval Date: N/A
Administrative Services (Financial)	Approval Date: 9/23/26
<u>Costs authorized in City Approved Budget:</u>	☒ Yes ☐ No ☐ N/A
Account Code (If applicable)	<u>Funds 100 / 500 / 510</u>
City Attorney Approval:	Approval Date:
City Manager Approval:	Approval Date: