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**Vacant**  
Small City

DATE: August 18, 2022  
TO: SJVUAPCD Governing Board  
FROM: Samir Sheikh, Executive Director/APCO  
Project Coordinator: Todd DeYoung



RE: **ITEM NUMBER 10: ACCEPT AND APPROPRIATE \$12,900,000 IN ADDITIONAL REVENUE FROM THE CALIFORNIA AIR RESOURCES BOARD TO FUND THE REPLACEMENT OF HEAVY-DUTY TRUCKS WITH ZERO AND NEAR-ZERO EMISSION TECHNOLOGY**

**RECOMMENDATIONS:**

1. Accept \$12,900,000 from the California Air Resources Board for the replacement of heavy-duty trucks with zero and near-zero emission technology to be utilized in the District's existing Truck Replacement Program.
2. Approve the attached Budget Resolution to amend the 2022-23 District Budget to appropriate \$12,900,000 in additional revenue.

**BACKGROUND:**

Reducing emissions from mobile sources, which make up the majority of ozone and PM2.5 forming NOx and toxic diesel particulate matter emission in the Valley, is a critical component of the District's overall strategy to attain stringent health-based federal air quality standards. These mobile sources, which include heavy-duty vehicles, are primarily under state and federal jurisdiction. This component of the District's overall attainment strategy relies on reduction in emissions achieved through implementation of the statewide Truck and Bus Regulation and new vehicle standards, as well as reductions attained through voluntary incentive programs, which achieve emission reductions beyond those required by existing regulatory requirements.

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**Samir Sheikh**  
Executive Director  
Air Pollution Control Officer

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Since 1998, the District's truck incentive programs have repowered, retrofitted, or replaced over 7,300 on-road heavy duty trucks with cleaner alternatives. While the District's Truck Replacement Program has historically funded 2009 and older vehicles, in April 2022, your Board approved changes to the program to align with state guidelines to allow 2010-compliant trucks to be replaced with zero and near zero emission technology.

In 2021, SB 129 (2021-22 Budget Bill) included a \$45 million allocation specifically designated for the replacement of heavy-duty trucks with zero and near-zero emission technology in severe or extreme nonattainment areas within the state. Of that amount, \$12.9 million was allocated to the District. The purpose of today's item is to accept and appropriate \$12.9 million in funding allocated to the District from SB 129 for the replacement of heavy duty trucks through the District's existing Truck Replacement Program.

**DISCUSSION:**

Significant resources are needed to implement a successful incentive based strategy and procure the necessary reductions in emissions. Towards that end, the District has orchestrated a successful advocacy effort that has significantly increased our share of incentive grant funding in recent years. Furthermore, the District has developed and implemented a robust and effective voluntary incentive program to identify the needs of the Valley and meet those needs with funding that helps generate significant emissions reductions that wouldn't otherwise occur. The District has gained a reputation for administering successful and effective voluntary incentive programs and is consistently lauded for its efficiency and fiscal accountability. Because of our reputation, the District is often asked to administer incentive funding on behalf of the state and other air districts. This reputation is also a key factor in our success in bringing significant incentive funding to the Valley.

Through strong advocacy efforts by the District, the legislature included \$45 million in the 2021-22 fiscal year state budget. The legislation specifically dedicated funding to air districts in non-attainment areas throughout the state, which includes the District and South Coast AQMD. Funding was split between the two Districts based on the inventory of heavy-duty trucks based within each air basin. The legislation requires that the funding be obligated in accordance with the Carl Moyer Program guidelines and be fully obligated by June 30, 2024.

The District recently received a grant award for \$12.9 million in funding from CARB associated with this funding and can now begin the process of implementing this funding within the District's Truck Replacement Program. The District is currently accepting applications for truck replacement projects and outreaching to fleets, dealerships, and trucking associations on the availability of incentive funds to transition

to cleaner technology. This program will be implemented in accordance with the District's existing Truck Replacement Program.

**FISCAL IMPACT:**

Approval of the attached Budget Resolution will increase the District's 2022-23 Budget revenues and appropriations in the amount of \$12,900,000 which will be utilized in the Truck Replacement Program. CARB has provided up to 6.25% to offset the District's cost to administer this program.

*Attachment A: Budget Resolution (3 pages)*

San Joaquin Valley Unified Air Pollution Control District  
Meeting of the Governing Board  
August 18, 2022

**ACCEPT AND APPROPRIATE \$12,900,000 IN ADDITIONAL  
REVENUE FROM THE CALIFORNIA AIR RESOURCES BOARD  
TO FUND THE REPLACEMENT OF HEAVY-DUTY TRUCKS WITH  
ZERO AND NEAR-ZERO EMISSION TECHNOLOGY**

**Attachment A:**

**Budget Resolution**  
**(3 pages)**

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**BEFORE THE GOVERNING BOARD OF THE  
SAN JOAQUIN VALLEY UNIFIED  
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF INCREASING THE  
2022/23 DISTRICT BUDGET \$12,900,000  
FOR THE RECEIPT OF SENATE BILL 129  
CARL MOYER GRANT REVENUE FROM  
THE CALIFORNIA AIR RESOURCES  
BOARD TO FUND THE REPLACEMENT  
OF HEAVY-DUTY TRUCKS

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**RESOLUTION NO.** \_\_\_\_\_

**WHEREAS**, The San Joaquin Valley Unified Air Pollution Control District (District) is a duly constituted unified district, as provided in California Health and Safety Code sections 40150 to 40161, and;

**WHEREAS**, the District is authorized by California Health and Safety Code section 40702 to make and enforce all necessary and proper orders, rules and regulations to accomplish the purpose of Division 26 of the Health and Safety Code, and;

**WHEREAS**, the District is authorized to participate in, and agrees to comply with the requirements of, the Senate Bill 129 Carl Moyer Grant, and;

**WHEREAS**, the District has agreed to administer the Senate Bill 129 Carl Moyer Grant funding in the amount of \$12,900,000 and;

**WHEREAS**, monies for these Senate Bill 129 Carl Moyer Grant funding projects were not reflected in the Appropriations and Estimated Revenues of the 2022/23 District Budget, and;

**NOW, THEREFORE, IT IS ORDERED THAT** the District's Controller is authorized to increase the 2022/23 District Budget as follows:

APPROPRIATIONS:

NON-OPERATING - INCENTIVE PROGRAMS

Carl Moyer Program SB 129 575-8200-350-100	<u>\$12,093,750</u>
TOTAL INCENTIVE PROGRAMS	<u>\$12,093,750</u>
TOTAL APPROPRIATIONS	<u>\$12,093,750</u>

1 **BE IT FURTHER RESOLVED THAT**, the Controller is ordered to adjust the  
2 following:

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4 DISTRICT RESERVES:

5 F/B Reserve	<u>\$806,250</u>
6 100-3090-000-100	
7 TOTAL RESERVES INCREASED	<u>\$806,250</u>

8 **BE IT FURTHER RESOLVED THAT** the estimated revenues for the 2022/23  
9 District Budget be adjusted as follows:

10 ESTIMATED REVENUES

11 NON-OPERATING REVENUE

12 Carl Moyer Program SB 129	<u>\$12,093,750</u>
13 575-4610-350-100	
14 Administrative Fees - Carl Moyer Program SB 129	<u>\$806,250</u>
15 575-4495-160-100	
16 TOTAL NON-OPERATING REVENUE	<u>\$12,900,000</u>
17 TOTAL ESTIMATED REVENUES	<u>\$12,900,000</u>

18 **BE IT FURTHER RESOLVED THAT** the estimated transfers for the 2022/23  
19 District Budget be adjusted as follows:

20 OPERATING - TRANSFERS IN

21 GENERAL FUND ADMIN EARNED	<u>\$806,250</u>
22 100-4720-000-100	

23 NON-OPERATING - TRANSFERS OUT

24 PROGRAM ADMIN COSTS	<u>\$806,250</u>
25 575-9020-160-100	

26 Approved as to Accounting Form

27 By \_\_\_\_\_  
28 Ryan Buchanan  
Controller

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**THE FOREGOING** was passed and adopted by the following vote of the Governing Board of the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT this 18th day of August, 2022, to wit:

AYES:

NOES:

ABSENT:

SAN JOAQUIN VALLEY UNIFIED  
AIR POLLUTION CONTROL DISTRICT

By \_\_\_\_\_  
Vito Chiesa, Chair  
Governing Board

ATTEST:

Clerk to the Governing Board

By \_\_\_\_\_

Interim Deputy to the Governing Board