

FISCAL YEAR 2026-27  
**RECOMMENDED BUDGET**

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San Joaquin Valley APCD





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**Supervisor Amy Shuklian**  
Tulare County

Vice Chair  
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Madera County

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Appointed by the Governor

**Vice Mayor Liz Wynn**  
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**Samir Sheikh**  
Executive Director  
Air Pollution Control Officer

May 14, 2026

**San Joaquin Valley  
Unified Air Pollution Control District**

**2026-27 Recommended Budget**

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Air Pollution Control Officer

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[www.valleyair.org](http://www.valleyair.org)

May 14, 2026

**Governing Board**

San Joaquin Valley Unified Air Pollution Control District  
1990 E. Gettysburg Avenue  
Fresno, California 93726

Dear Board Members:

Attached is the Recommended Budget for the San Joaquin Valley Air Pollution Control District for July 1, 2026, to June 30, 2027. Policy guidance for the 2026-27 Budget was provided by your Board's Ad Hoc Budget Subcommittee, which consisted of Board Chair Supervisor Shuklian, Councilmember Escutia-Braaton, Councilmember Rodriguez, and Vice Mayor Wynn.

The Recommended Budget is crafted to provide adequate resources to fulfill the District's mission:

*The San Joaquin Valley Air District is a public health agency whose mission is to improve the health and quality of life for all Valley residents through efficient, effective and entrepreneurial air quality management strategies. Our Core Values have been designed to ensure that our mission is accomplished through common sense, feasible measures that are based on sound science.*

As in previous years, this year's budget was developed using a zero-based budgeting approach. The accompanying budget document provides detailed departmental narratives describing workload, program implementation, planned efficiencies, streamlining efforts, and customer service enhancements in support of the District's mission.

The Recommended Budget is balanced, with adequate reserves and contingencies. The resources contained in the budget will enable the District to continue to improve air quality and public health, provide excellent customer service and expedited processing of

permit and incentive grant applications, and fulfill state and federal mandates in a timely fashion.

### **Budget Highlights**

- Total operating budget remains stable (0% increase)
  - Achieves 6.5% salary savings
  - Reflects cost adjustments associated with the third year of Board-approved labor agreements
- Significant workload absorbed through operational efficiencies and program flexibility
- Continued strong focus on public education and outreach
- Expeditious administration and utilization of approximately \$311.7 million in emission reduction incentive funds across a wide range of programs
- Balanced budget, with adequate reserves and contingencies

### **Workload and Staffing**

In 2026-27, the District anticipates a significant workload across all major programmatic areas, as summarized below:

#### ***Effective and Expeditious Administration of Incentive Grants:***

The 2026-27 Recommended Budget allocates approximately \$311.7 million for incentive-based programs, supported by a combination of local, state, and federal sources. Through strong advocacy and demonstrated program performance, the District has secured and allocated significant emission reduction funding that will play a critical role in assisting the Valley in achieving the substantial emissions reductions necessary to meet state and federal air quality mandates.

This funding, as outlined in the Incentives Spending Plan included in the Recommended Budget, is distributed through a comprehensive portfolio of District incentive programs. These programs provide funding to Valley residents, businesses, schools, and municipalities for projects that reduce air pollution throughout the Valley, while also supporting broader regional and statewide air quality objectives.

A substantial amount of staff time is dedicated to ensuring the successful implementation of these programs. This includes the development and refinement of program guidelines, extensive outreach and assistance activities, detailed review of grant applications, emissions quantification and verification, on-site inspections, and processing of grant claims to ensure timely and accurate payment. The scale and complexity of these efforts continue to grow as funding levels increase and program requirements become more sophisticated.

The Recommended Budget includes funding for emission reduction incentive programs, including:

- \$172.7 million for programs accelerating the turnover of older, high-polluting heavy-duty diesel equipment to cleaner technologies, including agricultural equipment, irrigation pumps, heavy -duty trucks, yard hostlers, and supporting alternative fuel infrastructure.
- \$41.2 million in Community Air Protection funding to support implementation of AB 617 in Valley communities. These efforts include both equipment replacement programs and community-level emission reduction initiatives, many of which are developed in collaboration with local stakeholders and tailored to address community-specific air quality concerns.
- \$15.8 million for community incentive programs, including residential and small equipment replacement and vehicle repair and replacement programs that provide direct benefits to Valley residents while contributing to measurable emissions reductions.
- \$52.9 million for the demonstration and deployment of advanced technologies and practices, including zero- and near-zero emission technologies and supporting infrastructure, implemented in partnership with public agencies, businesses, and other entities.
- \$27.4 million in funding for the Ag Burn Alternatives Grant Program, which provides incentives to farmers to chip, shred, or mulch woody agricultural waste materials from orchard and vineyard removals, supporting the continued transition away from open burning.
- \$1.6 million in funding for the District's Technology Advancement Program, which supports the demonstration of new and innovative emission reduction technologies within the Valley.

In addition to the work necessary to administer these programs, the District will dedicate significant staff resources to securing additional funding by preparing and submitting competitive grant applications and exploring partnerships with other agencies and organizations. Many key state and federal funding opportunities are anticipated to become available in 2026-27, and the District will continue to play a leadership role in pursuing these resources. Additionally, considerable staff resources will be directed toward assisting Valley public agencies and other entities in identifying and securing funding opportunities that deliver meaningful air quality benefits.

***Air Quality Planning and Rule Development:***

Due to the Valley's geography and meteorological conditions, the region continues to exceed federal ozone and PM<sub>2.5</sub> standards despite substantial emissions reductions achieved over past decades. Under the Clean Air Act, significant ongoing work is required to address these standards and continue progress toward attainment.

In 2026-27, the District will continue implementation of the *2022 Ozone Plan* and *2024 PM<sub>2.5</sub> Plan*, while also developing new emission control measures and advancing contingency strategies identified in these plans. These efforts will involve extensive

public engagement and close collaboration with affected entities to identify and implement measures that are both effective and feasible.

The District will also develop required maintenance plans for standards that have already been attained, including PM10 and the 1997 PM2.5 standards. These efforts are necessary to demonstrate continued compliance and support formal redesignation to attainment.

Planning efforts will continue to rely on advanced modeling capabilities, research partnerships, and data-driven analysis to evaluate emission reduction strategies and better understand emerging issues such as wildfire impacts, changing emissions patterns, and interactions between air quality and climate conditions.

***Permitting and Enforcement:***

The District expects to maintain a high workload related to permitting and enforcement activities in the coming fiscal year. This includes processing permits for new facilities, modifications at existing facilities, and annual permit renewals, as well as implementing newly adopted regulatory requirements.

The District will also continue to implement a comprehensive enforcement program that includes routine inspections of permitted facilities and other regulated sources, as well as follow-up actions to ensure compliance.

Workload in this area will increase significantly due to expanded emissions reporting requirements under the State's Criteria Pollutant and Toxics Reporting (CTR) regulation. These requirements will result in nearly 8,000 permitted facilities reporting emissions data, including additional information that must be reviewed, evaluated, and incorporated into District systems.

In addition, the District will continue implementation of AB 2588 program requirements and the agricultural open burning phase-out strategy. These efforts require ongoing coordination with CARB, outreach to affected stakeholders, and administration of related incentive programs to support compliance and transition to alternative practices.

***Air Monitoring:***

The District operates a comprehensive, federally-approved air monitoring network across the Valley. This network plays a critical role in meeting Clean Air Act requirements, supporting air quality planning and forecasting, and providing timely information to the public.

Maintaining this network requires continuous calibration, maintenance, and data validation to meet strict state and federal standards. In FY 2026-27, these activities will continue to require significant staff effort across the District.

In addition to regulatory monitoring, the District continues to support community air monitoring efforts under AB 617. These efforts require ongoing operation and maintenance of monitoring equipment, validation and analysis of large volumes of data, and regular reporting and communication with community stakeholders.

The District will continue operating and optimizing its monitoring network to ensure it meets regulatory requirements while minimizing redundancy and controlling costs. These efforts are particularly important given the increasing demand for high-quality, real-time air quality data from both regulatory agencies and the public.

***Community Engagement:***

The District continues to prioritize strong community engagement as a core component of its mission. Ensuring that all Valley residents have equitable access to District programs and resources remains a key objective, particularly in communities that experience disproportionate air quality impacts.

Efforts in this area focus on building and maintaining partnerships, improving accessibility to programs, and incorporating community input into the development and implementation of air quality strategies.

Under AB 617, the District continues to implement Community Emission Reduction Programs and Community Air Monitoring Plans in selected communities. As these efforts mature, work is transitioning toward long-term sustainability while maintaining active engagement with community stakeholders.

The District is also expanding outreach strategies to improve accessibility by engaging communities through existing local networks, including local governments, community-based organizations, and other trusted partners. This approach helps ensure that District programs remain responsive to community needs and are accessible to a broad range of Valley residents.

**Significant Workload Absorbed through Efficiency and Streamlining While also Improving Customer Service**

In response to the growing demands associated with evolving state and federal mandates, the District has maintained a strong commitment to maximizing operational efficiency in lieu of increasing staffing levels. This has been achieved through strategic investments in automation, the disciplined application of the District's zero-based budgeting principles, careful resource management, and the continuous refinement of work practices and procedures. The following examples highlight key efforts that allow the District to absorb an increasing workload while maintaining a high level of customer service.

The District, as a major user of technology, continues to harness the power of software and hardware to deliver measurable improvements in productivity and service delivery.

Over the coming year, the District will continue to implement key technology initiatives, with a strong emphasis on strengthening the security of its IT infrastructure. As cybersecurity threats continue to evolve in both frequency and sophistication, the District is committed to incorporating advanced security strategies while maintaining system accessibility and performance. In parallel, the District continues to pursue targeted projects focused on workload optimization and streamlining processes, allowing staff to manage increasing program demands more efficiently.

A significant component of these efforts is the continued modernization of the District's air monitoring network through the Air Monitoring Sites Upgrade Project. This initiative will enhance and optimize 38 air quality monitoring stations across the San Joaquin Valley by replacing aging infrastructure, implementing modern communications systems, and integrating real-time data into advanced forecasting platforms supported by artificial intelligence. These upgrades will enable expanded remote monitoring capabilities, improve data reliability, and enhance public transparency through more accessible and timely reporting tools.

The District is also advancing modernization of its internal application environment through the use of AI-assisted development tools. By leveraging artificial intelligence for code generation, debugging, and documentation, the District is able to accelerate development timelines while improving code consistency and maintainability. This approach allows the District to modernize legacy systems more efficiently while reducing long-term maintenance burdens.

Enhancements to the District's Grant Management System represent another key efficiency initiative. Automated workflows guide applications through eligibility review, approval, payment authorization, and post-award compliance verification, ensuring consistent processing and improved accountability. Expanded mobile capabilities allow field staff to perform real-time data entry, upload documentation, and complete inspection reporting directly from the field, significantly improving timeliness and reducing administrative overhead. These improvements create a fully integrated and auditable record for each grant award, strengthening program integrity while supporting efficient administration of a large and growing portfolio of incentive programs.

In support of field operations more broadly, the District is developing a custom in-house mobile application that will allow inspectors to complete and submit reports in real time. This effort reduces reliance on paper-based processes, improves data accuracy, and accelerates reporting timelines. By developing this solution internally, the District retains the flexibility to adapt functionality as operational needs evolve.

The District is also expanding its use of Geographic Information Systems and advanced data platforms to enhance data integration, forecasting, and public communication. Enhancements to the District's forecasting and data systems are focused on improving system reliability, increasing automation of forecast workflows, and strengthening integration across internal and external platforms. These efforts support the District's

ability to provide accurate, timely, and accessible air quality information to a wide range of stakeholders, including residents, businesses, and partner agencies. Additional tools, including dashboards tracking pollution reductions and funding impacts, and improved public records access systems, further enhance transparency and data accessibility.

Operational efficiency improvements extend to the District's air monitoring program, where investments in newer equipment, remote-control technologies, and system integration have reduced downtime, minimized maintenance requirements, and decreased the need for on-site visits. Supporting technologies, including data acquisition systems and network optimization efforts, enhance reliability while controlling long-term operational costs. Additional tools, such as in-house fabrication capabilities for replacement parts, allow staff to respond quickly to equipment needs and maintain system functionality without delays.

The District has also expanded public-facing tools to improve accessibility and reduce administrative workload. The Public Permits Information Portal provides direct access to finalized Authority to Construct permits and active Permits to Operate, significantly reducing the need for manual public records requests. Since its launch, the portal has facilitated over 100,000 permit searches, demonstrating both strong public demand and measurable efficiency gains. Additional online services, including improved public records request management systems and online payment capabilities, further streamline interactions with stakeholders.

Within administrative and support functions, the District has implemented improvements to strengthen consistency and efficiency across core operations. These include enhancements to enforcement case management systems, integration of generative AI tools to support legal research and document preparation, and development of standardized procedures to improve training and ensure consistent application of policies. Centralized administrative functions continue to leverage economies of scale and flexible resource allocation, allowing the District to respond to shifting workload demands without increasing staffing levels.

The District also continues to expand electronic processing and digital workflows across programs, improving responsiveness and reducing manual effort. Tools supporting information distribution, such as automated notifications for workshops, meetings, and compliance assistance, ensure stakeholders receive timely and accurate information while reducing staff workload.

Finally, the District's STAR (Service, Teamwork, Attitude, Respect) work culture remains a foundational element of its efficiency efforts. This culture encourages staff-driven innovation and continuous improvement, resulting in thousands of implemented ideas that enhance both operational efficiency and customer service. The District also strategically leverages temporary staffing where appropriate to address fluctuating workload demands, reduce overtime, and maintain flexibility. Continued improvements

to onboarding processes further support productivity by enabling new employees to contribute effectively from the outset.

Together, these efforts demonstrate the District's ability to absorb substantial increases in workload through thoughtful investment, innovation, and continuous improvement, while maintaining a strong commitment to high-quality customer service.

### **Research and Technology Advancement**

The District continues its long-standing commitment to relying on sound science in the development and implementation of effective air quality management strategies. Consistent with this approach, and in support of the District's Health Risk Reduction strategies aimed at maximizing and prioritizing public health benefits, the District will continue to provide technical review, coordination, and support to universities and other research institutions engaged in air quality-related studies.

These efforts focus on advancing the understanding of key emission sources, evaluating the effectiveness of existing control strategies, and identifying new opportunities for emission reductions across a range of sectors. In the coming year, the District anticipates supporting research in a number of important and evolving areas, including:

- The impacts of Sustainable Groundwater Management Act (SGMA) implementation, including strategies to reduce dust emissions from fallowed lands
- Analysis of changes in PM<sub>2.5</sub> source apportionment and improved understanding of contributing emission sources
- Evaluation of the effectiveness of the Valley's criteria pollutant and air toxics reduction strategies, including both regulatory and incentive-based approaches
- Assessment of community-level air quality improvement strategies and associated public health benefits
- Development and evaluation of alternatives to agricultural open burning
- Evaluation of heavy-duty truck emissions and their impacts on Valley air quality
- Examination of the relationship between climate change and air quality, including the air quality and public health impacts of wildfires
- Testing and evaluation of low-dust agricultural harvesting technologies
- Support for pilot projects demonstrating emerging air pollution control technologies, including projects at Valley commercial and restaurant operations

These research efforts provide a critical foundation for the District's regulatory, planning, and incentive-based programs, ensuring that policy decisions are informed by the best available science and reflect the unique conditions of the San Joaquin Valley.

## **Effective Public Outreach and Communications**

To assist in implementing the District's clean air mission, your Board has placed a high priority on a robust public education and outreach strategy designed to enlist the support of residents, businesses, public agencies, local organizations, and other Valley partners. The District has developed and continually enhances its multilingual public education and outreach strategy by utilizing sound science, best industry practices, expert consulting services, and ongoing analytical review of campaign reach and community feedback. The District consistently relies on analytical data, public opinion survey research and feedback from all partners to guide strategy development.

Based on your Board's direction, the following objectives have served to guide the District's public education and outreach efforts over the past several years:

- Encourage and enlist the public to support clean air efforts and take actions to improve air quality and public health for Valley residents.
- Empower and inform the public to protect themselves during episodes of poor air quality by providing them with timely air quality information as well as scientific and comprehensible information on the health effects of air pollution.
- Provide accurate, objective information about the Valley's efforts to reduce air pollution, including measurable results, key achievements, and remaining challenges.

In FY 2026-27, the District's core values, goals, and mission will continue to be shared through enhanced multi-lingual public outreach and education. As always, the key focus will be to maximize the use of existing resources and technology to incorporate new outreach platforms and expand communication goals. The District will continue to partner with Valley media, local organizations and agencies, and Valley stakeholders to achieve these objectives without significant additional District resources.

The District is committed to implementing a robust public engagement and outreach program to ensure participation from a wide variety of sectors, including Valley residents, the business community, the agricultural community, community representatives, municipalities, community-based organizations and others. The District will continue to host multiple multilingual community outreach events throughout the District. This includes providing multilingual support, event guidance, technical information, and other resources, not only to our CARB designated AB 617 communities, but also to the public at large across all Valley communities. The Recommended Budget includes funding to continue to support outreach activities for community steering committees in the AB 617 communities of Arvin/Lamont, Shafter, South Central Fresno, and Stockton, while further enhancing outreach efforts to ensure all Valley communities are aware of and have access to the considerable number of programs and services that the District has to offer.

The Real-time Air Advisory Network (RAAN) program continues to enjoy strong participation by the Valley's school districts, and the District's real-time air quality information tools continue to be a valuable resource, both of which pair naturally with the Healthy Air Living Schools program. The District will further strengthen and expand its relationships with Valley schools. The District will also work with stakeholders to identify and implement enhancements to its public-facing air quality tools, as well as refine the recommendations the District provides to schools, parents, and the general public on steps to protect themselves during periods of poor air quality. Toward that end, the District recently integrated the EPA's AirNow tools into RAAN outreach efforts to ensure Valley residents receive timely, accurate air quality information through the platform of their choosing.

The District will maintain strong collaboration with Valley public health directors and officers, including continued participation in the San Joaquin Valley Public Health Consortium. The District will leverage this relationship to convey health messaging more broadly to Valley residents especially during periods of poor air quality.

In coordination with our advertising partners, the District will actively promote key programs and messages through a comprehensive, multi-lingual public education and outreach strategy, utilizing a wide variety of communication channels, including traditional, social, and digital media. The District will implement the summer Healthy Air Living campaign and the winter residential wood smoke reduction strategy, while also advancing awareness of grant programs, conferences, and other outreach initiatives.

Wildfires have the potential to generate tremendous emissions, causing elevated PM2.5 concentrations and ozone precursors. Air pollution generated from wildfires can well exceed total industrial and mobile source emissions in the San Joaquin Valley, overwhelming all control measures, resulting in periods of excessively high particulate matter and ozone concentrations. In 2026-27, the District will continue to work with land management agencies as we pursue a variety of strategies aimed at reducing wildfire emissions. As a part of this effort, the District has developed a targeted public education campaign to increase public awareness of the damage to public health due to wildfires and build public support for increased prescribed burning that may help reduce the number and severity of future wildfires.

The District will continue to expand its in-house production key projects previously outsourced, including the Annual Report to the Community, the Healthy Air Living kid's calendar, videos that showcase individuals benefitting from the District's many grant programs, internal training videos, and other high-level projects. Additionally, the District will leverage these tools to support and enhance its presence across social media sites.

### **Funding for Emission Reduction Incentive Grants**

In 2026-27, the District anticipates \$311.7 million in available funding from a variety of local, state, and federal sources for incentive-based clean air grants for residents, businesses, and municipalities. It is important to note that many incentive funding sources include provisions for a portion of the funds to be used for their administration. Administrative funds are included in the District's Recommended Budget and are adequate to support the District's incentive grant programs without impacting stationary source fees.

To avoid any conflict of interest or any appearance of conflict of interest, District employees are not eligible to participate in any of the above incentive grant programs. However, in 2013, your Board approved a limited employee emission reduction incentive program to serve as role models in taking personal action to reduce air pollution and improve quality of life for Valley residents. Under this program, employees are eligible to apply for incentive funding under select, narrowly defined programs (e.g., electric lawn mower rebates) that mirror the program guidelines as the same District incentive programs. This program is proposed to be funded again at \$76,500, from additional salary savings.

### **Reserves and Contingencies**

Section 12.15 of the District's Board adopted Administrative Code establishes guidance for the funding level of the District's General Reserve. This section requires the annual Recommended Budget to include a General Reserve of no less than 20% of the District's operating expenditures. In compliance with this requirement, the 2026-27 Recommended Budget establishes the General Reserve at \$15,900,000.

In addition, the Recommended Budget includes \$850,000 in Appropriation for Contingencies, along with targeted reserves to support ongoing operational stability and infrastructure needs. These include \$1,200,000 for Building Maintenance, \$275,000 for Monitoring Equipment, \$65,000 for the Modeling Center, \$600,000 for VTC/Meeting Equipment, and \$500,000 for Computer Network Equipment.

### **Upcoming Strategic Challenges and Opportunities**

The San Joaquin Valley continues to achieve historic reductions in air pollution as a result of decades of sustained investment and commitment by residents, businesses, and public agencies. Despite this significant progress, the District faces an increasingly challenging regulatory and operational environment, including more stringent federal health-based standards, the growing and unpredictable impacts of wildfire smoke, and evolving expectations for clean air and climate action. In response, the District will continue working closely with Valley stakeholders to implement a comprehensive set of clean air strategies, including new incentive programs, regulatory measures, and community-level efforts in disadvantaged communities.

In recent years, the District Board has adopted numerous emission control strategies under the 2018 PM<sub>2.5</sub> Plan that are expected to secure substantial emissions reductions across a wide range of source categories. These actions include rule amendments addressing boilers, steam generators, industrial flares, internal combustion engines, glass melting furnaces, and open agricultural burning. Building on this progress, the District will continue to design, adopt, and implement additional measures that are both effective and cost-efficient. These efforts will continue to be guided by extensive public engagement and collaboration with affected stakeholders to identify innovative, practical, and impactful approaches to reducing emissions.

To address federal ozone requirements, the District Board adopted the 2022 Ozone Plan, which establishes a pathway for bringing the Valley into attainment of the 70 parts per billion 8-hour ozone standard. The plan includes long-term strategies to reduce emissions from mobile, area, and stationary sources of NO<sub>x</sub> and VOCs, which are the primary precursors to ozone formation. While the District's existing programs are already among the most comprehensive and innovative in the nation, the District remains committed to evaluating next-generation control technologies and identifying additional opportunities for emissions reductions. This includes advancing measures targeting stationary NO<sub>x</sub> and VOC sources, expanding energy-related programs, promoting cleaner landscaping practices, and supporting the deployment of emerging technologies aligned with evolving regulatory and technological developments. Achieving these goals will require continued coordination among the District, CARB, EPA, Valley businesses, residents, and other stakeholders.

The District is also actively working to implement the 2024 Plan for the 2012 PM<sub>2.5</sub> Standard, which addresses the federal annual PM<sub>2.5</sub> limit of 12 µg/m<sup>3</sup>. This plan builds upon the 2018 PM<sub>2.5</sub> Plan and incorporates necessary revisions based on updated EPA guidance and stakeholder feedback. Implementation of this plan will require substantial effort to carry out adopted commitments, develop additional feasible measures, and coordinate closely with CARB and EPA, particularly with respect to mobile source emissions that fall outside the District's direct regulatory authority.

As the Valley's emissions continue to be reduced, the region is reaching important milestones in air quality progress and meeting federal standards. The Valley has already attained standards for several criteria pollutants, including 1-hour and 8-hour carbon monoxide, 1-hour and annual nitrogen dioxide, sulfur dioxide, lead, 1-hour ozone, PM<sub>10</sub>, and the 1997 24-hour and annual PM<sub>2.5</sub> standards. The District is currently evaluating attainment of the 1997 8-hour ozone standard. In addition, the District is working with CARB and EPA to submit clean data determinations for the PM<sub>2.5</sub> standards and will subsequently develop maintenance plans to demonstrate continued compliance. The District will also develop the second 10-year maintenance plan for the PM<sub>10</sub> standard. These efforts are necessary to support formal redesignation to attainment and ensure long-term compliance with federal requirements.

In February 2024, EPA finalized a rule lowering the annual PM<sub>2.5</sub> standard from 12.0 µg/m<sup>3</sup> to 9.0 µg/m<sup>3</sup> based on its review of the latest health science. Although air quality data for the Valley demonstrates considerable progress, this more stringent standard presents a significant new challenge. The District will rely on its existing emission reduction programs as a foundation while preparing a new attainment plan in coordination with CARB and EPA. In advance of the formal planning deadline, the District will evaluate the magnitude of the reductions needed, identify key research needs, and assess potential new emission control strategies.

Achieving the reductions required to meet federal air quality standards will necessitate significant additional funding, particularly from state and federal sources, to address emissions from mobile sources. This need is further compounded by challenges associated with obtaining federally required waivers for certain mobile source regulations. While the 2026-27 includes significant funding for incentive programs, state and federal clean air grant funding has been declining, and the District will need to continue strong advocacy efforts to ensure that the Valley receives critically needed funding. Priority efforts include securing resources for programs such as FARMER, agricultural burn alternatives, vehicle replacement initiatives, and clean transportation infrastructure in an increasingly challenging state and federal budget environment. Ensuring that these funds are deployed efficiently and that eligible participants are aware of available opportunities will remain a central focus in FY 2026-27.

In the coming year, the District will also work to educate the new federal administration and congressional delegation regarding the Valley's unique air quality challenges, the actions already taken to address those challenges, and the critical importance of continued federal support. Given the public health implications of meeting federal air quality standards, as well as the potential for severe economic sanctions under the Clean Air Act, maintaining a cooperative and solution-oriented relationship with EPA will be essential. A key element in this interaction will be timely approval of State Implementation Plans and related submissions by U.S. EPA to ensure ongoing air quality progress, regulatory certainty, and avoidance of devastating economic impacts associated with Clean Air Act sanctions.

The District will continue working closely with Valley communities to build partnerships and identify additional clean air opportunities. In alignment with the Board's established priorities, the District will collaborate with community-based organizations, residents, and other stakeholders to expand access to programs and ensure that community input is incorporated into program development and implementation. As the District continues implementation of AB 617 and related initiatives, it will ensure that efforts remain grounded in sound science and responsive to community priorities. Additionally, given state budget challenges in recent years and evolving state priorities, it will be essential that state funding continues to be provided to support implementation of AB 617 mandates and support community-level air quality efforts.

*SJVUAPCD Governing Board  
Transmittal Letter for the 2026-27 Recommended Budget  
May 14, 2026*

Demonstrating leadership, the District strives to set an example for other public agencies and private sector entities. This includes continuing to promote its STAR work culture, which emphasizes exceptional customer service and organizational excellence, as well as advancing sustainability in its own operations through telecommuting, fleet transition, and sustainable procurement practices.

Clear and effective public communication will remain critical to the District's success. The District will continue to inform Valley residents about air quality progress, strategies, and protective measures, particularly during wildfire events, and will continue to improve the accessibility and clarity of information so that residents, businesses, and local agencies can fully understand and benefit from available programs.

The District has also taken important steps to ensure fiscal responsibility and long-term financial stability. In June 2017, the Board established a Pension Stabilization Reserve Fund to support the District's retirement system and to facilitate payments toward reducing the District's unfunded actuarial accrued liability. Consistent with recent Board action, the District will continue to implement a structured approach to accelerating liability reduction by transferring an amount equal to 1 percent of the prior fiscal year's unfunded actuarial accrued liability from the General Fund to the Kern County Employees' Retirement Association (KCERA) on an annual basis for fiscal years 2026-27 through 2029-30, subject to Governing Board approval as part of the annual budget adoption process. This use of resources to make strategic discretionary payments to KCERA will continue to reduce employer contribution rates and generate near-term cost savings. These actions reflect a disciplined and proactive approach to reducing long-term retirement liabilities while maintaining budget stability.

Through these combined efforts, including regulatory planning, emissions reductions, incentive programs, fiscal stewardship, and community engagement, the District remains committed to achieving continued improvements in air quality and public health across the San Joaquin Valley. I would like to express my gratitude to your Board's Ad Hoc Budget Subcommittee for their time and valuable feedback during the preliminary review of the staff-developed Recommended Budget, and for the Board's continued support of the resources necessary to sustain an active and effective air quality program.

Respectfully submitted,



Samir Sheikh  
Executive Director/Air Pollution Control Officer

# BUDGET FINANCIAL SUMMARY



**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT  
SCHEDULE OF ESTIMATED REVENUES**

	Adjusted* FY 25-26	Estimated Actuals FY 25-26	Recommended FY 26-27	Budget/Budget		Budget/Actual	
				Increase (Decrease)	%	Increase (Decrease)	%
<b>OPERATING REVENUE</b>							
<b>STATIONARY SOURCE</b>							
Permit Fees	\$22,185,235	\$21,377,944	\$24,005,179	\$1,819,944	8%	\$2,627,235	12%
Section 185- Non Attainment Fees	\$360,000	\$2,403,068	\$2,271,662	\$1,911,662	531%	(\$131,406)	(5%)
Advanced Emission Reduction Options (AERO) Fees	\$4,969,791	\$6,944,485	\$4,395,450	(\$574,341)	(12%)	(\$2,549,035)	(37%)
Settlements	\$3,500,000	\$4,000,000	\$4,000,000	\$500,000	14%	-	-
Interest	\$3,000,000	\$3,000,000	\$3,500,000	\$500,000	17%	\$500,000	17%
Miscellaneous	\$202,657	\$173,152	\$52,800	(\$149,857)	(74%)	(\$120,352)	(70%)
Residential Furnaces - Rule 4905	\$200,000	\$100,000	\$90,000	(\$110,000)	(55%)	(\$10,000)	(10%)
<b>Total Stationary Non-Grant Operating Revenue</b>	<b>\$34,417,683</b>	<b>\$37,998,649</b>	<b>\$38,315,091</b>	<b>\$3,897,408</b>	<b>11%</b>	<b>\$316,442</b>	<b>1%</b>
<b>GRANT REVENUE</b>							
State Subvention	\$900,000	\$985,372	\$900,000	-	-	(\$85,372)	(9%)
EPA 105 Grant	\$2,000,000	\$2,000,000	\$2,000,000	-	-	-	-
EPA 103 Grant	\$65,000	\$65,000	\$65,000	-	-	-	-
State AB 617 Implementation Fund	\$12,300,000	\$12,296,533	\$11,066,880	(\$1,233,120)	(10%)	(\$1,229,653)	(10%)
State Grant-Oil and Gas Regulations	\$355,000	\$355,000	\$355,000	-	-	-	-
<b>Total Grant Revenue</b>	<b>\$15,620,000</b>	<b>\$15,701,905</b>	<b>\$14,386,880</b>	<b>(\$1,233,120)</b>	<b>(8%)</b>	<b>(\$1,315,025)</b>	<b>(8%)</b>
<b>Total Stationary Operating Revenue</b>	<b>\$50,037,683</b>	<b>\$53,700,554</b>	<b>\$52,701,971</b>	<b>\$2,664,288</b>	<b>5%</b>	<b>(\$998,583)</b>	<b>(2%)</b>
DMV Surcharge Fees - District	\$14,261,435	\$14,946,120	\$14,866,400	\$604,965	4%	(\$79,720)	(1%)
Administrative Revenues Earned	\$9,500,000	\$9,500,000	\$11,000,000	\$1,500,000	16%	\$1,500,000	16%
<b>Total Operating Revenue</b>	<b>\$73,799,118</b>	<b>\$78,146,674</b>	<b>\$78,568,371</b>	<b>\$4,769,253</b>	<b>6%</b>	<b>\$421,697</b>	<b>1%</b>
<b>Transfer to Non-Operating Revenue for Incentive Grants</b>	<b>(\$5,000,000)</b>	<b>(\$5,000,000)</b>	<b>(\$12,000,000)</b>	<b>(\$7,000,000)</b>	<b>140%</b>	<b>(\$7,000,000)</b>	<b>140%</b>
<b>Fund Balance Used</b>	<b>\$11,941,295</b>	<b>\$7,025,707</b>	<b>\$13,634,422</b>	<b>\$1,693,127</b>	<b>14%</b>	<b>\$6,608,715</b>	<b>94%</b>
<b>Reserves Released / (Increased)</b>	<b>(\$1,175,000)</b>	<b>(\$1,175,000)</b>	<b>(\$825,000)</b>	<b>\$350,000</b>	<b>(30%)</b>	<b>\$350,000</b>	<b>(30%)</b>
<b>Estimated Funding Sources - Operating</b>	<b>\$79,565,413</b>	<b>\$78,997,381</b>	<b>\$79,377,793</b>	<b>(\$187,620)</b>	<b>-</b>	<b>\$380,412</b>	<b>-</b>
<b>NON-OPERATING REVENUE</b>							
Air Toxics - Pass Through	\$70,574	\$70,180	\$195,647	\$125,073	177%	\$125,467	179%
DMV Surcharge Fees - Pass Through	\$47,636,474	\$49,838,000	\$49,512,000	\$1,875,526	4%	(\$326,000)	(1%)
Carl Moyer Funds	\$20,657,944	\$19,121,864	\$19,000,000	(\$1,657,944)	(8%)	(\$121,864)	(1%)
VERA/ISR Mitigation Program	\$13,277,793	\$11,602,224	\$11,184,918	(\$2,092,875)	(16%)	(\$417,306)	(4%)
Federal Diesel Emission Reduction Funding Program	\$65,836,484	\$11,319,324	\$84,219,673	\$18,383,189	28%	\$72,900,349	644%
Miscellaneous Incentive Grant Funding	\$20,000	\$20,000	\$100,000	\$80,000	400%	\$80,000	400%
Non-Operating Interest	\$16,183,024	\$16,586,110	\$13,760,525	(\$2,422,499)	(15%)	(\$2,825,585)	(17%)
Operating Revenues Funding Incentive Programs	\$5,000,000	\$5,000,000	\$12,000,000	\$7,000,000	140%	\$7,000,000	140%
CEC Grants	\$9,507,000	\$4,033,479	\$6,159,499	(\$3,347,501)	(35%)	\$2,126,020	53%
Reimburse Operating for Administrative Revenues Earned	(\$9,500,000)	(\$9,500,000)	(\$11,000,000)	(\$1,500,000)	16%	(\$1,500,000)	16%
Administrative Fees - Incentive Programs	\$14,715,948	\$11,641,174	\$7,216,546	(\$7,499,402)	(51%)	(\$4,424,628)	(38%)
State Cap & Trade Funding	\$106,102,451	\$93,664,055	\$13,530,000	(\$92,572,451)	(87%)	(\$80,134,055)	(86%)
Volkswagen Mitigation Funding	-	\$10,000,000	-	-	-	(\$10,000,000)	(100%)
<b>Total Non-Operating Revenue</b>	<b>\$289,507,692</b>	<b>\$223,396,410</b>	<b>\$205,878,808</b>	<b>(\$83,628,884)</b>	<b>(29%)</b>	<b>(\$17,517,602)</b>	<b>(8%)</b>
<b>Fund Bal. Used/Non-Adm Reserves Released/(Increased)</b>	<b>\$154,551,754</b>	<b>\$189,972,097</b>	<b>\$105,792,059</b>	<b>(\$48,759,695)</b>	<b>(32%)</b>	<b>(\$84,180,038)</b>	<b>(44%)</b>
<b>Adm Reserves Released / (Increased)</b>	<b>(\$1,884,767)</b>	<b>-</b>	<b>-</b>	<b>\$1,884,767</b>	<b>(100%)</b>	<b>-</b>	<b>-</b>
<b>Estimated Funding Sources - Non-Operating</b>	<b>\$442,174,679</b>	<b>\$413,368,507</b>	<b>\$311,670,867</b>	<b>(\$130,503,812)</b>	<b>(30%)</b>	<b>-</b>	<b>(25%)</b>
<b>TOTAL REVENUE</b>							
<b>Estimated Financing Sources - Total</b>	<b>\$521,740,092</b>	<b>\$492,365,888</b>	<b>\$391,048,660</b>	<b>(\$130,691,432)</b>	<b>(25%)</b>	<b>(\$101,317,228)</b>	<b>(21%)</b>

\* Adjusted Budget as of 4/16/2026

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT  
TOTAL DISTRICT**

	Adjusted* FY 25-26	Estimated Actuals FY 25-26	Recommended FY 26-27	Budget/Budget		Budget/Actual	
				Increase (Decrease)	%	Increase (Decrease)	%
<b>OPERATING APPROPRIATIONS</b>							
<b>SALARIES AND BENEFITS</b>							
Regular Salaries	\$39,141,905	\$39,063,399	\$41,580,118	\$2,438,213	6%	\$2,516,719	6%
Temporary Help	\$1,843,825	\$1,841,572	\$878,263	(\$965,562)	(52%)	(\$963,309)	(52%)
On Call Pay	\$133,677	\$133,343	\$141,072	\$7,395	6%	\$7,729	6%
Overtime	\$572,274	\$569,413	\$499,348	(\$72,926)	(13%)	(\$70,065)	(12%)
Unemployment	\$81,362	\$71,760	\$86,191	\$4,829	6%	\$14,431	20%
Retirement	\$18,802,965	\$18,784,162	\$18,468,632	(\$334,333)	(2%)	(\$315,530)	(2%)
OASDI	\$723,432	\$719,815	\$685,217	(\$38,215)	(5%)	(\$34,598)	(5%)
Workers Compensation	\$470,844	\$468,488	\$434,851	(\$35,993)	(8%)	(\$33,637)	(7%)
Cafeteria Plan Benefits	\$4,701,789	\$4,543,704	\$4,730,589	\$28,800	1%	\$186,885	4%
Long-Term Disability Insurance	\$102,570	\$102,057	\$105,656	\$3,086	3%	\$3,599	4%
Alternate Transportation Incentive	\$301,080	\$299,577	\$302,640	\$1,560	1%	\$3,063	1%
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$66,875,723</b>	<b>\$66,597,290</b>	<b>\$67,912,577</b>	<b>\$1,036,854</b>	<b>2%</b>	<b>\$1,315,287</b>	<b>2%</b>
<b>SERVICES AND SUPPLIES</b>							
Safety Supplies & Equipment	\$51,754	\$50,719	\$51,164	(\$590)	(1%)	\$445	1%
Mobile Communications	\$180,552	\$161,542	\$186,096	\$5,544	3%	\$24,554	15%
Telephone Charges	\$64,900	\$55,165	\$66,050	\$1,150	2%	\$10,885	20%
Insurance	\$1,143,400	\$1,120,530	\$1,247,700	\$104,300	9%	\$127,170	11%
Equipment Maintenance	\$203,050	\$198,989	\$204,450	\$1,400	1%	\$5,461	3%
Vehicle Maintenance & Operations	\$304,100	\$298,018	\$255,200	(\$48,900)	(16%)	(\$42,818)	(14%)
Computer Maintenance	\$1,607,060	\$1,574,919	\$1,601,142	(\$5,918)	-	\$26,223	2%
Video Conferencing Maintenance & Operations	\$101,800	\$99,764	\$103,500	\$1,700	2%	\$3,736	4%
Building Maintenance & Operations	\$386,700	\$376,333	\$356,000	(\$30,700)	(8%)	(\$20,333)	(5%)
Office Supplies	\$46,998	\$46,059	\$34,298	(\$12,700)	(27%)	(\$11,761)	(26%)
Computer Software & Supplies	\$291,965	\$286,126	\$311,385	\$19,420	7%	\$25,259	9%
Monitoring Station Supplies & Equipment	\$1,089,608	\$1,067,816	\$688,501	(\$401,107)	(37%)	(\$379,315)	(36%)
Postage	\$102,400	\$91,018	\$127,300	\$24,900	24%	\$36,282	40%
Printing	\$159,030	\$155,850	\$158,970	(\$60)	-	\$3,120	2%
Professional & Specialized Services	\$2,183,935	\$2,140,257	\$2,180,706	(\$3,229)	-	\$40,449	2%
Publications & Legal Notices	\$96,163	\$94,240	\$89,563	(\$6,600)	(7%)	(\$4,677)	(5%)
Rents & Leases	\$144,839	\$141,941	\$179,385	\$34,546	24%	\$37,444	26%
Small Tools & Equipment	\$59,660	\$58,466	\$60,460	\$800	1%	\$1,994	3%
Special District Expense	\$247,760	\$242,807	\$280,787	\$33,027	13%	\$37,980	16%
Travel & Training	\$287,807	\$282,051	\$284,892	(\$2,915)	(1%)	\$2,841	1%
Travel & Training - Boards	\$66,913	\$65,575	\$98,897	\$31,984	48%	\$33,322	51%
Utilities	\$593,300	\$581,433	\$611,400	\$18,100	3%	\$29,967	5%
Audit Services	\$37,000	\$36,260	\$38,000	\$1,000	3%	\$1,740	5%
Legal Services	\$342,400	\$335,552	\$342,400	-	-	\$6,848	2%
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$9,793,094</b>	<b>\$9,561,430</b>	<b>\$9,558,246</b>	<b>(\$234,848)</b>	<b>(2%)</b>	<b>(\$3,184)</b>	<b>-</b>
<b>FIXED ASSETS</b>							
Office Improvements	\$100,000	\$97,999	\$50,000	(\$50,000)	(50%)	(\$47,999)	(49%)
Facilities & Equipment	\$386,000	\$378,279	\$80,000	(\$306,000)	(79%)	(\$298,279)	(79%)
Computer Equipment	\$599,596	\$587,605	\$597,596	(\$2,000)	-	\$9,991	2%
Office Furniture / Equipment	\$36,400	\$35,672	\$36,400	-	-	\$728	2%
Office Machines	\$10,000	\$9,799	\$12,674	\$2,674	27%	\$2,875	29%
Telephone Systems	\$10,300	\$10,093	\$11,300	\$1,000	10%	\$1,207	12%
Detection Equipment	\$75,500	\$73,990	\$167,000	\$91,500	121%	\$93,010	126%
Automobiles	\$703,000	\$688,940	\$300,000	(\$403,000)	(57%)	(\$388,940)	(56%)
Video Conferencing System	\$10,000	\$9,800	\$10,000	-	-	\$200	2%
Air Monitoring Station Equipment	\$954,800	\$935,704	\$631,000	(\$323,800)	(34%)	(\$304,704)	(33%)
Air Monitoring Automation/Remote Control Project	\$11,000	\$10,780	\$11,000	-	-	\$220	2%
<b>TOTAL FIXED ASSETS</b>	<b>\$2,896,596</b>	<b>\$2,838,661</b>	<b>\$1,906,970</b>	<b>(\$989,626)</b>	<b>(34%)</b>	<b>(\$931,691)</b>	<b>(33%)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$79,565,413</b>	<b>\$78,997,381</b>	<b>\$79,377,793</b>	<b>(\$187,620)</b>	<b>-</b>	<b>\$380,412</b>	<b>-</b>

\* Adjusted Budget as of 4/16/2026

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT  
TOTAL DISTRICT**

	Adjusted* FY 25-26	Estimated Actuals FY 25-26	Recommended FY 26-27	Budget/Budget		Budget/Actual	
				Increase (Decrease)	%	Increase (Decrease)	%
<b>NON-OPERATING APPROPRIATIONS</b>							
<b>OTHER CHARGES</b>							
Air Toxic Pass Through	\$70,600	\$70,574	\$263,800	\$193,200	274%	\$193,226	274%
<b>TOTAL OTHER CHARGES</b>	<b>\$70,600</b>	<b>\$70,574</b>	<b>\$263,800</b>	<b>\$193,200</b>	<b>274%</b>	<b>\$193,226</b>	<b>274%</b>
<b>INCENTIVE PROGRAMS</b>							
DMV Surcharge Fees - Incentives	\$59,506,700	\$57,807,073	\$58,558,100	(\$948,600)	(2%)	\$751,027	1%
Carl Moyer Program	\$31,877,844	\$29,691,193	\$42,770,800	\$10,892,956	34%	\$13,079,607	44%
ISR and VERA'S	\$22,875,500	\$8,941,941	\$26,214,200	\$3,338,700	15%	\$17,272,259	193%
Proposition 1B Funding Program	\$5,981,300	\$2,500,000	\$3,570,800	(\$2,410,500)	(40%)	\$1,070,800	43%
Federal DERA/Designated Funding Program	\$53,087,492	\$52,121,027	\$15,875,467	(\$37,212,025)	(70%)	(\$36,245,560)	(70%)
Incentive Programs Funded by Operating Revenue	\$10,911,600	\$10,708,623	\$20,332,500	\$9,420,900	86%	\$9,623,877	90%
Miscellaneous Incentive Programs	\$94,600	\$93,662	\$241,200	\$146,600	155%	\$147,538	158%
CEC Grants	-	-	\$559,500	\$559,500	-	\$559,500	-
State Cap & Trade Funding	\$228,440,643	\$223,705,995	\$110,357,000	(\$118,083,643)	(52%)	(\$113,348,995)	(51%)
Volkswagen Mitigation Funding	\$28,478,400	\$27,728,419	\$32,077,500	\$3,599,100	13%	\$4,349,081	16%
<b>TOTAL INCENTIVE PROGRAMS</b>	<b>\$441,254,079</b>	<b>\$413,297,933</b>	<b>\$310,557,067</b>	<b>(\$130,697,012)</b>	<b>(30%)</b>	<b>(\$102,740,866)</b>	<b>(25%)</b>
Appropriation for Contingencies	\$850,000	-	\$850,000	-	-	-	-
<b>TOTAL NON-OPERATING APPROPRIATIONS</b>	<b>\$442,174,679</b>	<b>\$413,368,507</b>	<b>\$311,670,867</b>	<b>(\$130,503,812)</b>	<b>(30%)</b>	<b>(\$101,697,640)</b>	<b>(25%)</b>

\* Adjusted Budget as of 4/16/2026

# OPERATING BUDGET

## ADMINISTRATION

### FISCAL SUMMARY

	<u>Budgeted 2025-26</u>	<u>Recommended 2026-27</u>	<u>Increase/ (Decrease)</u>	
<u>Appropriations</u>				
Salaries and Benefits	16,740,968	17,244,870	503,902	3%
Services and Supplies	3,969,231	3,902,003	(67,228)	-2%
Fixed Assets	<u>330,702</u>	<u>351,886</u>	<u>21,184</u>	<u>6%</u>
Total	<u><u>21,040,901</u></u>	<u><u>21,498,759</u></u>	<u><u>457,858</u></u>	<u><u>2%</u></u>

<u>Position Summary</u>	92.5	92.5
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### FUNCTIONS

The District’s Administration Department is comprised of the executive management staff and several divisions that provide support services for the District’s core operations. For budgeting purposes, these functions are structured under General Administration, District Counsel, Administrative Services and Operations and Program Support, Information Technology Services (ITS), Outreach and Communications, Community Strategies and Resources, and Human Resources.

#### General Administration

The District’s General Administration Division is responsible for the overall management of the District. Under the policy direction of the Governing Board, the Executive Director/APCO and Deputy APCOs represent the Board’s interests and oversee the development and implementation of policies and procedures, formulation of policy alternatives and recommendations, overall management of personnel and resources, and development and implementation of air quality-related programs.

#### District Counsel

The District Counsel’s office is responsible for advising the District Board, the Executive Director/APCO, and staff on all legal matters and enforcing District rules and state and federal laws related to air pollution control. The District Counsel also represents the District, or manages outside counsel representing the District, in all litigation involving the District and in matters before the District’s three regional Hearing Boards. This office also serves as general counsel, advising and providing legal representation in general administrative matters, such as labor and employment issues, insurance, benefits, and general contracting.

### **Administrative Services and Operations and Program Support**

The District's Administrative Services Division is responsible for all fiscal and general services-related functions of the District. The fiscal functions include preparation and control of the District's budget; responsibility for accounting and auditing all District revenues and expenditures; preparation of financial statements and related reports; and incentive and other grant financial management, including state and federal grant reporting. The general services functions include responsibility for facilities management, fleet management, purchasing, and risk management.

The District's Operations and Program Support (OPS) Division provides essential customer service to stakeholders and clerical support for District departments and operations. This division continues to assume and coordinate increased responsibilities from the various departments they support while ensuring that support-type activities are handled in the most efficient and cost effective manner. Operations and Program Support staff are integrated across departments and provide front-desk reception services to members of the public. Additional division support functions include electronic document management, meeting scheduling, and coordination of Public Records Request processing.

### **Community Strategies and Resources**

The District has a long history of building partnerships to find effective, efficient, and innovative strategies for improving air quality and protecting the health of all Valley residents. Ensuring Valley residents have equitable access to all District programs and resources is crucial to the District's mission of improving public health in the Valley. To support these efforts, the District continuously seeks to engage with communities throughout the Valley to seek their input on the development and implementation of clean air strategies.

Assembly Bill (AB) 617, signed into law in July 2017, initiated a statewide program, referred to as the Community Air Protection (CAP) program, to monitor and reduce localized air pollution, and significantly improve public health in communities that experience disproportionate burdens from exposure to air pollutants through new community-focused and community-driven actions. As required under AB 617, the District's Governing Board adopted the South Central Fresno and Shafter Community Emission Reduction Programs (CERPs) in September 2019, the Stockton CERP in 2020, and the Arvin/Lamont CERP in 2022. Since adoption, the District has been working closely with the Community Steering Committees (CSC), local partners, and state agencies to implement CERP measures designed to reduce air pollution and exposure in the selected communities. In addition to the CERP implementation work, each community was also selected to develop and implement a Community Air Monitoring Plan (CAMP). The District has worked diligently to implement the CAMPs in consultation with the CSCs across all four selected communities, conducting extensive air monitoring and regularly sharing data analysis with the public at CSC meetings and through the District's community-specific air monitoring webpages.

The division of Community Strategies and Resources (CSR) was formed in 2021 to assist in leading efforts to support the District's broader goals to engage with disadvantaged and low-income communities and advance community-driven strategies through implementation of the state's CAP program across the Valley. The CSR Division provides leadership,

guidance, and support in the internal development and implementation of policies, practices and programs regarding community-level strategies, resources, and work standards, including with respect to AB 617 implementation. The division also provides lead direction and coordination of the District's other community-level work including coordination between District departments, partner agencies, and community stakeholders (residents, businesses, agricultural community, non-profit organizations, etc.) to ensure strong engagement and that mandates are satisfied as effectively and efficiently as possible. Under AB 617 mandates, the District is tasked with implementing a number of state mandates across the Valley and in each of the communities selected by CARB under strict criteria and timeframes.

### **Information Technology Services**

The District's Information Technology Services (ITS) Division oversees all computer-related functions, ensuring seamless technology operations across the organization. This includes the planning, implementation, and management of both strategic and tactical technology initiatives. The ITS Division is responsible for formulating policies and procedures, developing and implementing a network security plan, preparing and managing the ITS budget, working with the management team to prioritize projects, and allocating resources efficiently. Additionally, ITS establishes and maintains hardware and software standards, provides training and support to District staff and members of the public, manages inventory, and ensures proper maintenance and repair of ITS equipment. The ITS Division also plays a key role in technology analysis, offering recommendations for improvements and overseeing the technology procurement process.

In addition to these core responsibilities, the ITS Division manages voice, video, and facsimile communication technologies, such as telephone systems, mobile devices, video conferencing equipment, and printers and copiers, ensuring smooth and efficient operations for all communication needs.

### **Outreach and Communications**

The District's Outreach and Communications (OC) Division plans and implements strategies and tactics to meet the District's public outreach and communication goals. As methods for disseminating messaging expand and become more sophisticated, the District embraces these changes and incorporates them into successful, innovative outreach efforts. These strategies and tactics include designing and implementing comprehensive, multilingual, multimedia outreach campaigns that incorporate workshops and public events; coordinating an effective media relations program; responding to public inquiries via phone, email and social media messaging; writing and distributing newsletters, brochures and other outreach materials in both hard copy and electronic versions; promoting the District's many grant programs across different target audiences; conducting public presentations to promote clean air; collaborating with local, state and federal agencies and stakeholders to further the District's mission; enhancing and strengthening the Healthy Air Living Schools program goals and messages; collaborating with other District departments to develop and implement public education efforts about rules, such as residential wood smoke reduction regulations; deploying public-facing air quality information that gives stakeholders current air-quality conditions; and working with other District departments to ensure their communications and public affairs needs are met.

## **Human Resources**

The Human Resources Division provides comprehensive human resources support for all District departments, ensuring that workforce needs are met efficiently and in compliance with legal and regulatory standards. The District's core Human Resources functions include recruitment, job classification and compensation analysis, personnel records management, policy development, legal and regulatory compliance, labor and employee relations, workforce training, and management/supervisory support. Human Resources plays a critical role in attracting and retaining talent, administering fair and equitable compensation structures, and fostering a positive and productive workplace culture.

The Human Resources Department is also responsible for the administration of employee benefits, workers' compensation, and safety and wellness initiatives. These programs ensure compliance with labor laws, promote employee well-being and reduce costs associated with workplace injuries.

Human Resources has also taken a leadership role in advancing key organizational initiatives, including the STAR (Service, Teamwork, Attitude, Respect) work culture program, which promotes a positive and service-oriented environment. The department actively supports internal and external engagement in the Healthy Air Living program and encourages and champions these efforts District-wide.

## **SIGNIFICANT CHANGES TO 2026-27 BUDGET**

### **New Workload**

#### ***District Counsel***

In the coming year, the Legal Department expects to continue to represent the District on a number of legal matters, such as:

- Provide a variety of legal services to the Governing Board and Executive Officer/APCO, including advising and counseling on issues arising under Federal and State air pollution laws, the Brown Act and conflict of interest requirements, and preparing opinions on a variety of topics as needed.
- Represent the District on approximately 225 enforcement cases referred to the District Counsel's office from Mutual Settlements, representing approximately 10% of all Notices of Violation issued. These enforcement cases will include civil penalty prosecutions, which most often result in a settlement, but may proceed to litigation if a violator will not agree to an appropriate penalty.
- Represent and advise the three regional District Hearing Boards in all Hearing Board matters, including the legal and factual sufficiency of variance and abatement order petitions.
- Review and provide legal counsel on rulemaking and permitting matters, including specific advice on CEQA, ISR, and other land use issues.
- Review and provide legal counsel on hundreds of contracts, grants and agreements from various departments within the District, including representing the District on contract noncompliance issues.

- Intervene and represent the District in various state and federal court legal challenges to the District's nonattainment plans, rules and enforcement authority.
- Review and provide legal counsel on dozens of Public Records Act requests and legal subpoenas, including review of documents collected for production.
- Provide legal advice on and assist in the preparation of State Implementation Plan elements and requirements.
- Prepare the District records retention policy and provide legal advice, guidance, and training to staff on its implementation.
- Provide legal consultation on various legislative bills that may affect the District, in collaboration with the District's Policy and Government Affairs Division.

### ***Administrative Services and Operations and Program Support***

The District's Administrative Services Division provides support for implementation of mandates, including but not limited to public workshops, grant reporting and tracking, and supporting all departments involved. The Administrative Services Division will continue to implement ever-changing state and federal rules and regulations while taking the steps necessary to ensure that District accounting and related reporting complies with accounting and financial management best practices. The Administrative Services Division will continue to support the implementation of AB 617 mandates and increased funding for the various emission reduction programs the District manages.

The District's successful state and federal advocacy has resulted in bringing additional financial resources for the implementation of various District emission reduction programs. Support and implementation of these emission reduction programs are the District's main priority and will significantly affect workload. During 2026-27, the District will be working closely with partner agencies to administer approximately \$311.7 million in the Incentives Spending Plan, including processing incentive applications, contracts, claims, and project reporting and implementation.

The District continues to see an increase in the volume of Public Records Requests received. Although this increase will impact the overall workload, this will be supported by existing staff as more streamlined processing of these requests have allowed them to be fulfilled more efficiently. Additional efficiencies have continued to be gained and we expect the increase to be less impactful to the workload with the full implementation of the new Public Records Request software. As the District continues the transition to complete electronic document storage and management, the support provided by the District's Operations and Program Support Division to other District departments continues to grow. During 2026-27, the workload in the District's electronic document management system (EDMS) is expected to remain consistent as programs continue to fully utilize electronic document storage and management. These projects include the back file conversion and day forward processing of Finance, Compliance, and Permits documents.

In addition to the routine duties of the District's Operations and Program Support Division, continued support will be provided to the District's Incentives Division, Compliance Department, as well as support for permit application processing. The on-going support is expected to continue into the next fiscal year due to the continued success of the District's

Incentives program and the resources needed for application processing, public records requests, as well as support provided as a result of continued AB 617 implementation.

### ***Community Strategies and Resources***

The strategies in the CERPs include incentive funding measures, regulatory strategies, public engagement strategies, enforcement strategies, and a number of additional strategies to be implemented in partnership with CARB, DPR, cities, counties, other agencies, community-based organizations, and other local partners. Many of the measures in the CERPs are incentive-based and require CARB's approval prior to being able to fund these measures. As the implementation of approved CERPs progresses, District staff will need to continue to engage with the CSCs in a number of areas.

As CERPs are structured as five-year plans under CARB's CAP Blueprint, February 2025 marks the official milestone for tracking progress in Shafter and South Central Fresno communities. In preparation for this transition, the District has worked closely with community members in South Central Fresno and Shafter to facilitate a smooth transition from CERP implementation to ongoing program maintenance, aligning with CARB's guidance on long-term sustainability. As part of this transition, the District will continue engaging with stakeholders through quarterly meetings to provide essential information and resources while also reallocating capacity to address air quality challenges in additional underserved areas. This strategic shift allows the District to maintain momentum in existing CAP communities while continuing to expand focus to additional areas in need of localized air quality improvements.

The Community Strategies and Resources workload is expected to grow as the department continues to enhance other community engagement efforts and strengthen community and civic partnerships. This work includes working with the Outreach and Communications Division to conduct targeted air quality-related outreach Valley-wide to promote available clean air programs in historically disadvantaged and low-income communities, oversight in the development of incentive project plans with the state's CAP incentive guidelines, and continuing to enhance participation and access to air monitoring data in CAP communities. In addition, the CSR Division will continue to oversee the coordination and reporting of ongoing mandates under AB 617 such as Best Available Retrofit Control Technology (BARCT) analysis and Criteria Air Pollutants and Toxic Air Contaminants (CTR) reporting requirements.

In 2024, the District hosted the inaugural "Community Clean Air Day," a collaborative event designed to strengthen relationships between residents, businesses, community organizations, and agency partners. Participants heard from community experts and fellow residents from across the Valley and enjoyed the talents of a graphic recorder who created a mural in real-time during the event that reflected the conversations, decisions and themes that arose from the day. Feedback from post-event surveys indicated that attendees left with a renewed understanding of air quality resources and a commitment to taking action in their communities. This engagement also provided valuable insight for the District on ways to improve our efforts to engage with Valley communities. The District will be taking the feedback received and incorporating it into our overall engagement strategy to ensure our efforts are as meaningful and effective as possible. The District is looking to build upon the

momentum from the first event and is planning to host another convening in the upcoming fiscal year.

The District has committed to continuously work closely with Valley residents and stakeholders to help communities across the Valley by forging new partnerships with businesses, and identifying and leveraging clean air opportunities. This past year, the District has prioritized outreach efforts in communities most in need by building partnerships with schools and community based organizations, attending community events, and ensuring engagement materials and presentations are available in multiple languages.

As the District looks to identify and address opportunities to support impacted communities moving forward, the CSR team will continue enhancing the District's community-focused engagement efforts by developing deeper relationships and intentional partnerships with more community residents, community organizations, and government agencies at all levels. In alignment with the Board's direction, the District is expanding an initiative that aims to deepen community engagement by integrating District outreach into existing civic networks. Rather than asking residents to attend standalone District meetings, staff will actively participate in local gatherings, such as city council meetings, neighborhood association meetings, and faith-based discussions. This approach ensures that outreach efforts are more accessible, locally relevant, and responsive to the specific needs of each community.

### ***Information Technology Services***

The District, as an extensive user of technology, continues to leverage software and hardware to provide exceptional business value and seeks to implement the latest and best technologies to increase productivity by District staff while instituting customer service enhancements for the District's stakeholders. Over the next year, the District will initiate and continue implementing several key technology projects including enhancing the security of its ITS infrastructure. In recent years, the frequency and severity of cybersecurity threats have increased significantly, and the District is focusing on further solidifying its already strong security posture by implementing the latest technologies and measures to strengthen the security of its ITS infrastructure.

To advance the District's mission, the ITS Division continually seeks out electronic solutions in an effort to meet the expectations for the highest level of customer service and staff efficiency. New workload and streamlining projects scheduled to be completed or commenced in the upcoming year are as follows:

### ***Air Monitoring Sites Upgrade Project***

The air monitoring sites upgrade project is the District's initiative to modernize, expand, and optimize its network of 38 air quality monitoring stations across the San Joaquin Valley, ensuring the District's federal, refinery, and community air monitoring networks are operational and utilizing the latest technology. This includes replacing aging infrastructure with current-generation technology. Upgrading all sites to modern cellular communications for remote monitoring and fault detection, integrating live data feeds into a forecasting

platform with artificial intelligence (AI) assisted data quality tools, and finally delivering enhanced public-facing dashboards and community air quality reporting. The end result is a fully modernized, remotely managed, and publicly transparent monitoring network. The District has begun this work at an offsite air quality air monitoring location. This has involved site infrastructure changes, installing and calibrating information technology infrastructure, connecting the site to the District's real-time data systems, and establishing an ongoing maintenance and support for District staff.

### Legacy Application Modernization Using AI-Assisted Development

The District is undertaking a comprehensive initiative to convert aging legacy applications to modern technologies, leveraging AI as a core development accelerator. Through the integration of AI-powered tools for code generation, intelligent debugging, automated refactoring, and technical documentation, the development team anticipates a substantial reduction in programming time, in many cases by several multiples compared to traditional development methods. This approach not only accelerates delivery timelines but also improves code quality, consistency, and long-term maintainability across the District's application portfolio.

The District anticipates several compounding benefits from this AI-assisted modernization approach. Development timelines for legacy conversion projects are expected to be compressed by several multiples compared to traditional manual modernization methods, making it economically and practically feasible to modernize the entire legacy application portfolio within a realistic timeframe and budget. Code quality and consistency will improve as AI tools enforce modern architectural patterns and coding standards across all development work. Long-term maintainability will increase as modernized applications are built on current, supported frameworks with complete documentation and clean, well-structured codebases. Developer productivity will be sustainably higher as AI assistance becomes embedded in daily workflows, allowing the District's development team to deliver more efficiently while achieving immediate productivity gains, long-term maintenance savings, and a fundamentally stronger application portfolio that supports the District's mission for years to come.

### Grant Management System Development (GMS) Upgrades

The District will develop a modernized Grant Management System (GMS) focused on streamlining the enhancements to internal compliance workflows and field staff operations. Automated workflow routing will advance applications through eligibility review, approval, payment authorization, and post-award compliance verification stages ensuring tasks are assigned to the right staff at the right time without manual intervention. Field compliance staff will benefit from direct mobile access to the GMS network during site visits and equipment verification inspections, enabling them to retrieve complete applicant records, record inspection findings, and upload supporting documentation including site photographs and signed compliance forms in real time from the field. All field-captured data and documents will be instantly attached to the corresponding grant record and visible to supervisors without requiring staff to return to the office, creating a complete, auditable

digital compliance file for every grant award and significantly strengthening the District's ability to verify program outcomes efficiently and reliably.

### Mobile Application Development

To modernize field operations, the District will develop a custom in-house smartphone application designed specifically for Compliance GDF field staff. This mobile solution will enable inspectors to complete, submit, and manage inspection reports directly from the field in real time, eliminating the current reliance on paper-based or manual processes. The application will improve data accuracy, accelerate reporting turnaround times, and provide supervisors with timely visibility into field activity. Building the application in-house ensures full control over feature development, data security, and future enhancements aligned with the District's evolving compliance requirements.

### Custom Application Development with Geographic Information Systems and Artificial Intelligence Integration

As part of the District's broader modernization effort under AB-617, enhancement work will extend to the forecasting database known as "Gertie" — the District's central platform for producing and distributing daily air quality forecast products. Planned enhancements are focused on expanding Gertie's functional capabilities, improving system reliability, increasing automation of forecast workflows, and strengthening data integration across connected systems. A key objective is to solidify Gertie's role as the authoritative and trusted source for forecast dissemination across internal web platforms, mobile applications, external partner portals, and community-facing GIS-based sites. These improvements will ensure the District can deliver accurate, timely, and accessible air quality information to all stakeholders.

### State's California Oil and Gas Regulation Integration into District Systems

The District implements and enforces the state's Greenhouse Gas Regulation program throughout the San Joaquin Valley. Ongoing oversight of the program includes ensuring that registrations are obtained and maintained by operators as required, and that recurring compliance inspections are completed for all registrations. While it is common for facilities with California Oil and Gas Regulation (COGR) registrations to also have stationary source permits with the District, and enforcement staff are instructed to complete COGR inspections at the same time, COGR registrations and inspections are tracked by a different process involving shared file folder systems and excel spreadsheets. Having COGR registrations and their inspection activity embedded into PAS, LIS, and CIP will reduce supervisor and staff time spent assuring program expectations are satisfied.

Efforts include the buildout of permit workflows, integrated document management capabilities, and a web-based emissions inventory platform. In addition, the District is planning to implement functionality to support the COGR, which introduces specific inspection tracking and compliance requirements. This includes building code to verify that all COGR-regulated facilities receive inspections at required frequencies within PAS, developing logic to identify facilities with equipment subject to single or multiple COGR

registrations, integrating the COGR Summary and supplemental LDAR forms, and ensuring that each registration-based inspection is accurately recoded under the appropriate Greenhouse Gas Regulation codes. This body of work is critical to the District's regulatory compliance posture and operational integrity.

### Online Geographic Information System (GIS) Projects

The District continues to leverage modern technology and GIS-based tools to streamline operations, improve efficiency, and deliver clear, timely information to the public. The District has been working on a new GMS Dashboard that will provide a comprehensive view of pollution reductions and grant funding impacts across all eight counties, while the Public Records Request application enhances transparency by making South Central Fresno AB 617 ISR and GMS funding data easily accessible. The newly launched GIS-based Meteorological and Air Monitoring Tool consolidates critical data into a single interactive platform, enabling faster, more accurate selection of meteorological and monitoring stations for modeling projects, saving staff time and improving customer service for external stakeholders. Complementing these tools, the AB 617 Annual Report documents community-driven emission reduction progress, and the 2024 Annual Report to the Community showcases Valley-wide air quality achievements. Together, these efforts strengthen the District's ability to communicate clearly, operate efficiently, and provide the highest level of service to Valley residents, businesses, and partner agencies.

### Offset Equivalency System Upgrade

The Offset Equivalency System is a regulatory tracking framework used by the Districts to demonstrate local permitting rules are at least as protective as federal EPA standards even when structured differently. Instead of discounting individual Emission Reduction Credits (ERCs) at the time of use, the District runs an annual system-wide test to demonstrate overall equivalency with federal requirements.

- The upgrade path modernizes the system across phases over next years, starting with database modernization and ERC registry digitization, moving into direct integration with the PAS permitting system, then automating the annual EPA equivalency report, adding AI-powered forecasting to predict credit surplus and compliance risk proactively, and finally delivering a public-facing GIS dashboard for community transparency under AB-617. The end result transforms the system from a once-a-year manual compliance exercise into a continuous, intelligent, and publicly accessible air quality management tool fully aligned with the District's technology and AI integration goals.

### **Outreach and Communications**

The District's mission to protect public health by improving air quality in the San Joaquin Valley relies on the public's awareness and understanding of the District's air-quality improvement programs. Given the Valley's unique challenges with respect to topography, meteorology, pass-through traffic, and pollution transport from other regions, the ever-tightening federal air-quality mandates demand further reductions in emissions.

In 2026-27, the District's core values, goals and mission will continue to be shared through enhanced multi-lingual public outreach and education. As always, the key focus will be to maximize the use of existing resources and technology to incorporate new outreach platforms and expand communication goals. The District will continue to partner with Valley media, local organizations and agencies, and Valley residents and stakeholders to achieve these objectives without significant additional District resources.

The District is committed to implementing a robust public engagement and outreach program to ensure participation from a wide variety of sectors, including Valley residents, the business community, the agricultural community, community representatives, municipalities, community-based organizations and others. The District will continue to host multiple multilingual community outreach events throughout the District. This includes providing multilingual support, event guidance, technical information, and other resources, not only to our CARB designated AB 617 communities, but also to the public at large across all Valley communities. The Recommended Budget includes funding to continue to support outreach activities for community steering committees in the AB 617 communities of Arvin/Lamont, Shafter, South Central Fresno, and Stockton, while further enhancing outreach efforts to ensure all Valley communities are aware of and have access to the considerable number of programs and services that the District has to offer.

The District's real-time air quality information tools continue to be a valuable source of information for the Valley's school districts and pair naturally with the Healthy Air Living Schools program. The District will further strengthen and expand its relationships with Valley schools. The District will also work with stakeholders to identify and implement enhancements to its public-facing air quality tools, as well as refine the recommendations the District provides to schools, parents, and the general public on steps to protect themselves during periods of poor air quality. Toward that end, the District recently integrated the EPA's AirNow tools into the District's Real-time Air Advisory Network (RAAN) outreach to ensure Valley resident receive timely, accurate air quality information through the platform of their choosing.

The District will continue to strengthen our collaborative partnerships with Valley public health directors and officers, including continued participation in the San Joaquin Valley Public Health Consortium. The District will leverage this relationship to convey health messaging more broadly to Valley residents.

The District will continue to work with our advertising partners to promote key programs and messages through our comprehensive multi-lingual public education and outreach program in a wide variety of mediums including traditional, social and digital media formats. The agency will implement the summer Healthy Air Living campaign and the winter residential wood smoke reduction strategy, as well as promote grant programs, conferences and other outreach programs.

Wildfires have the potential to generate tremendous emissions, causing elevated PM2.5 concentrations and ozone precursors. Air pollution generated from wildfires can be enormous and can well exceed total industrial and mobile source emissions in the San Joaquin Valley, overwhelming all control measures, resulting in periods of excessively high

particulate matter and ozone concentrations. In 2026-27, the District will continue to work with land management agencies as we pursue a variety of strategies aimed at reducing wildfire emissions. As a part of this effort, the District has developed a targeted public education campaign to increase public awareness of the damage to public health due to wildfires and build public support for increased prescribed burning that may help reduce the number and severity of future wildfires.

The District will continue to expand its in-house production of previously outsourced key projects such as the Annual Report to the Community, Healthy Air Living kid's calendar, videos that showcase individuals taking advantage of the District's many grant programs, internal training videos and other high-level projects. Additionally, the District will leverage these tools to support our presence on social media sites.

### **Human Resources**

As we look ahead to the upcoming 2026–27 fiscal year, the Human Resources Department is preparing for a period of transition and increased workload. Several key initiatives will require additional resources, time, and strategic focus to ensure successful implementation and continued support for our employees and leadership team.

A key priority for the upcoming year is the expansion of supervisor and manager training across the District. Human Resources will focus on developing and delivering comprehensive training programs designed to strengthen leadership skills, improve consistency in management practices, and support effective employee supervision. This effort will include updating training materials, facilitating workshops, and providing ongoing guidance and resources to supervisors and managers. In addition, Human Resources will work to enhance access to tools and reference materials that support day-to-day management responsibilities, including employee relations, performance management, and policy application. Expanding these resources will require dedicated staff time and coordination but will ultimately promote stronger leadership, increased consistency, and ensure continued engagement across the organization.

Another critical initiative is the improvement of our performance evaluation management process. One of our goals is to provide greater support to supervisors and managers by implementing a more structured, consistent, and user-friendly performance evaluation review system. This will require designing and delivering training, developing new tools, and offering hands-on coaching to ensure successful adoption. A well-executed performance management process will enhance employee engagement, accountability, and professional development.

The Human Resources Department continues to enhance and strengthen the District's telecommuting program to ensure it remains effective, equitable, and aligned with organizational needs. Building on prior assessments, efforts will include reinforcing best practices, enhancing guidance, and equipping managers and supervisors with tools to effectively support and monitor remote employees. These ongoing improvements aim to maintain a balance between operational efficiency and employee flexibility.

## **Efficiency and Streamlining**

### ***District Counsel***

Over the course of the past several years, the volume of cases transferred to the Legal Department has increased, both in total Notices of Violation transferred as well as a percentage of all Notices of Violation issued. To address this increased workload, in fiscal year 2024-2025, the Legal Department initiated and began to implement Filevine, a customized Legal Practice Management Software which centralizes all enforcement case matters and case handling activities. Filevine provides a comprehensive platform to enable the Legal team to manage tasks and deadlines, review case progress, and track discovery with automated workflows and simplified processes. The Legal Division also initiated and began to implement Westlaw CoCounsel, a generative AI tool for legal professionals.

In addition, the Legal Division has developed and implemented Procedures Manuals for its Legal Technicians, to standardize responsibilities and tasks and to train new staff more efficiently.

### ***Administrative Services and Operations and Program Support***

Consistent with prior years, new technology and process improvements continue to support a growing financial and administrative workload. The District's budget continues to be compiled using internally developed software. District monthly budget reports are generated completely electronically, saving significant staff time each month. The District also streamlines processes and enhances efficiency through ongoing system enhancements, improved utilization of internally developed financial software, and annual zero-based budget and workload analysis.

The District has successfully transitioned many of its processes to fully electronic workflows, enhancing customer service and supporting remote operations. The Administrative Services Division processes accounts payable, grant contracts and payments, payroll, and many other financial related transactions electronically, creating effective streamlining and fiscal responsibility.

Since 2020, the District has utilized ADP for payroll processing, allowing for greater system customization that has improved staff efficiency and strengthened data integrity. The payroll system also provides an enhanced employee portal with resources, self-serve options, and reporting capabilities not previously available, improving services to employees. Additional enhancements include integration with the District's financial system, which automates the tracking and recording of payroll costs.

The District has fully implemented the ability to receive online electronic funds via e-checks, debit cards, and credit cards. The enhanced District online portal allows permitted facilities to view their current outstanding invoices, submit payments, and receive their payment confirmation instantly. The District continues to benefit from the redesigned Fresno office exterior landscape, which incorporates environmentally friendly and drought tolerant features, reduces landscaping maintenance costs by approximately \$17,000 annually, and lowers water usage.

The District's Operations and Program Support Division (OPS) continues to achieve efficiencies in processing District business and communications. Its centralized structure enables streamlined operations through economies of scale and supports flexible resource allocation across functions to address cyclical workload demands. During 2026-27, OPS will expand cross-training efforts and shift workload as needed to absorb additional responsibilities without increasing staffing levels. The Division will also enhance EDMS processes through the OnBase Client Portal, which has significantly reduced the time required to prepare, scan, and verify documents. In addition to its core responsibilities, OPS will support the District's Incentives grant programs, Public Records Request processing, and Executive Office operations in the coming fiscal year.

The District's Operations and Program Support Division (OPS) improves service delivery by streamlining and enhancing features within the District developed E-Directory system, providing a more effective approach to assisting incoming callers and walk-in customers. The District has fully transitioned to a new Public Records Request processing software and, with the implementation of the Permits information portal, anticipates additional efficiencies. OPS has also transitioned to electronic processing of requisitions, travel requests and claims, Permit applications, Hearing Board agendas, public notice packages, and Compliance applications to support more streamlined and efficient operations. In addition, OPS manages outgoing mail operations, including large-scale mailings of up to 9,000 pages. Efficiency has improved through the use of barcoding software that groups pages by mailing address, enabling the automated assembly of envelope materials, reducing errors and minimizing manual sorting. While templates must still be created for different programs, this automation saves time and improves accuracy. OPS staff will continue cross-training efforts across departments to support flexible workload distribution and provide greater support across the District while maintaining excellent customer service.

### ***Community Strategies and Resources***

The Community Strategies and Resources (CSR) Division has put into place a variety of streamlining measures to ensure successful oversight in implementing the emissions reduction programs, track community air monitoring progress in the four Valley-based AB 617 communities, and meaningfully engage with other communities in need of additional resources across the Valley. The continued expansion and integration of project management tools, has allowed the CSR team to efficiently assign, track, analyze, and follow up on project progress across all District departments. When working with the District's internal translation team within the Outreach and Communications Division, the CSR team uses technology to track smaller tasks and better collaborate with the District's creative team.

Aligned with the District's community engagement efforts, staff worked to incorporate a more interactive component to the required AB 617 Annual Report. Utilizing the District's global information systems (GIS) platform, the District created online visual reports to accompany this year's annual report, available in both English and Spanish. The District is planning to utilize this GIS tool to create a new, interactive dashboard to report implementation progress to community members and stakeholders in this upcoming fiscal year. In addition to public-facing tools, the CSR team works with the Air Quality Science,

Grants and Incentives, and Outreach and Communications Departments to use the GIS platform to effectively analyze and communicate complicated community-level emissions information and air quality progress. Several projects include identifying potential grant projects in proximity to AB 617 boundaries to be included due to their air quality benefits and population-based heat mapping of program participation to identify gaps in outreach.

The CSR team, in close coordination with the Outreach and Communications division has also focused on integrating outreach into existing community networks and local events rather than creating new standalone engagement opportunities. By partnering with community-based organizations, schools, and local agencies, the District is able to reach more residents while reducing administrative costs and improving participation. For example, the District is seeking opportunities to expand existing partnerships, such as with Valley Clean Air Now (Valley CAN), to play an enhanced role in conducting outreach through their existing event models and networks to leverage those relationships and streamline the efforts to reach residents.

As the District works to prioritize finishing out CERP incentive measures and transitioning to long-term program support, staff is coordinating regularly with Air Quality Science, Grants and Incentives, Enforcement, and Outreach divisions to align implementation timelines and reduce duplicative efforts.

The CSR team also worked closely with the Grants and Incentives Department to expand the benefits of the award-winning Tune-In Tune-Up vehicle repair program to AB 617 communities. Weekend events to diagnose and provide free vehicle repair vouchers to underserved residents are typically held at a large open space within a community in order to effectively manage traffic and support the resource needs of the event. With AB 617 events in each community already occurring, the District identified an opportunity to leverage Valley CAN's unique experience and existing logistical infrastructure by combining community lawn mower exchange events with the existing Tune In Tune Up events. As a final addition, staff have also been present at the events to sign up qualified participants to the Clean Air Rooms program to receive a free air purifier. This one-stop-shop approach has greatly helped provide needed support to Valley residents by offering assistance in a more efficient manner, with nearly 3,000 mowers exchanged and 1,700 cars checked since the end of 2024.

To ensure successful and meaningful community engagement in all aspects of District programs, including incentives project development, it is vital that the District actively seeks input from stakeholders from all sectors within the Valley's priority communities to ensure program benefits are actualized as quickly as possible. To spur conversation and elicit important feedback from community members, the District contracts with an impartial, third-party facilitator to help plan, prepare, manage, and facilitate productive community meetings and hear all stakeholder views. This support has helped the CSR team expand and enhance the District's community engagement by running effective community engagement program, which has been recognized as being the best process anywhere in the state.

### ***Information Technology Services***

The District, as a major user of technology, continues to harness the power of software and hardware to deliver exceptional business value. The primary focus being on the implementation of cutting-edge technologies that enhance the productivity of District staff and improving customer service to stakeholders. Over the coming year, the District will continue to roll out several key technology initiatives, with a strong emphasis on strengthening the security of its ITS infrastructure. As cybersecurity threats continue to evolve in both frequency and sophistication, the District is committed to bolstering its already robust security measures by incorporating the latest technologies and strategies.

To support the District's mission, the ITS Division consistently explores innovative digital solutions designed to elevate customer service and enhance staff efficiency. Several new projects focused on workload optimization and process streamlining are planned for the upcoming year, aiming to drive further improvements in operational effectiveness and service quality.

### ***District Website Redesign***

For many Valley stakeholders, the District's website serves as the primary gateway for accessing critical information regarding regional air quality, particularly during episodes of elevated pollution levels, and for utilizing essential services such as submitting air quality complaints and applying for grant funding. Ensuring that this information is easily accessible, reliable, and secure has long been a priority for the District.

To address these needs, the District undertook a comprehensive, multi-phase website redesign project. The objectives of this initiative included modernizing the website's public-facing services, implementing higher security standards to protect sensitive information, and incorporating accessibility enhancements to ensure compliance with current guidelines and equitable access for all members of the public.

This project has now been successfully completed. The redesigned website features fully migrated and reorganized content, enabling stakeholders to locate information more efficiently. Each District department now has the capability to make timely updates to their respective web pages, significantly accelerating the delivery of new information and services to the public. This improvement is particularly critical for communicating during rapidly changing air quality events.

Additionally, key web applications have been upgraded to improve efficiency and user experience. Enhanced accessibility features have also been implemented, ensuring that all users, including those with physical disabilities and non-English speaking, can fully interact with and benefit from District resources.

The completion of this project positions further establishes the District as a provider of modern, secure, and responsive digital platforms that meet the needs of Valley stakeholders and supports the District's mission of protecting public health and improving air quality.

### Security Enhancements

Over the past fiscal year and continuing into the current year, the District has made significant investments in expanding its cybersecurity footprint. This has included completing a comprehensive security audit, implementing Federal Information Security Modernization Act compliance measures, and executing a network segmentation project to reduce the attack surface and isolate critical systems. Building on this foundation, the District is planning further security enhancements through the integration of AI-powered security tools that will enable more proactive threat detection and automated response capabilities. Additionally, a centralized network monitoring solution is being implemented to provide unified, real-time visibility across the District's entire network environment, ensuring that anomalies and potential threats are identified and addressed with greater speed and precision.

### Training & Workforce Development

To maintain high-level technical skills and specialized workforce within the technology team, the District has established a structured and accountable training program. The plan includes a combination of self-directed learning expectations and District-provided formal training resources, with weekly assignments and progress monitoring to ensure consistent advancement. Cross-training across team members is being prioritized to reduce single points of failure and build organizational resilience. Training sessions are being recorded as video documentation to create a reusable internal knowledge library. AI-assisted tools are being evaluated to further streamline the documentation process and accelerate knowledge transfer across the team.

### Backup System Overhaul and Upgrade

The District has completed a comprehensive overhaul of its backup infrastructure to ensure the security, reliability, and resiliency of its data systems across all three regions. A secure copy of critical data that is stored separately from the original information, either on different media or in a different location, to protect against loss. Backups are essential to ensure business continuity and safeguard the District's operations. They provide protection against a wide range of risks, including cybersecurity threats such as ransomware or malware attacks, hardware failures that can cause data loss, human errors like accidental deletions or misconfigurations, and natural disasters or workplace hazards that could damage physical systems. By maintaining reliable, redundant backups, the District ensures that critical files, databases, applications, and configurations can be restored quickly and accurately, minimizing downtime and maintaining uninterrupted service to the public.

The District follows the industry-recommended 3-2-1-0 backup strategy to achieve maximum resiliency. This approach keeps three copies of all data stored across two different types of media, with one copy securely stored offsite. At least one copy is made immutable, protecting it from tampering or ransomware attacks. Finally, every backup undergoes verification to ensure zero errors, guaranteeing that the data can be trusted when restoration is needed. This comprehensive approach not only secures District data against loss but also strengthens overall cybersecurity readiness and supports regulatory

compliance. This upgrade has significantly improved the district's ability to safeguard critical data from malicious actors, hardware failures, and other workplace hazards. It has also enhanced redundancy, increased efficiency in both backup and restoration processes, and strengthened the District's overall cybersecurity posture. As a result, the District now has a more robust and future-ready backup solution that ensures the continuity of operations and the protection of vital information assets.

### Operational Streamlining Initiatives

The District is pursuing a broad set of operational improvements developed with direct input from staff, aimed at reducing inefficiencies, automating routine tasks, and modernizing internal processes. Key initiatives include automating personnel related administrative workflows, modernizing the Fixed Asset System to streamline asset tracking and reporting, and enhancing the Technical Assistance System with a tiered classification structure — organizing work into Tier 1, Tier 2, and Tier 3 categories based on complexity and associated effort levels. Additional streamlining measures include cross-training supported by recorded video documentation, standardization of department group configurations, and the automation of purchasing workflows to reduce technical staff dependencies and accelerate procurement cycles across the organization. In addition, to reduce the time and overhead associated with internal planning and coordination, the District is migrating from a fragmented, spreadsheet-based activity and task monitoring and tracking process to an integrated task planning and tracking framework embedded directly within LIS in the ITS division. This transition eliminates duplicative data entry, improves the accuracy of workload tracking, and reduces the frequency and duration of internal status meetings — freeing staff to focus more time on substantive technical work rather than administrative coordination.

Through disciplined workforce scheduling strategies, including the adoption of flexible scheduling and the use of lunch-hour maintenance windows, the District successfully reduced unplanned overtime hours from the previous year. These results demonstrate that thoughtful operational planning can yield meaningful cost and productivity benefits, and the District will continue to build on these gains in the coming fiscal year.

### Data Center Streamlining Measures and Infrastructure Modernization

The District's ITS team is managing a significant and concurrent set of infrastructure modernization initiatives that represent a meaningful shift in the District's technology foundation. Active projects include server hardware upgrades, virtualization platform enhancements, enterprise-wide deployments of Windows Server and Windows Operating System, and replacement of mission-critical servers. These projects collectively represent a transformation of the District's core IT infrastructure, and their successful execution is essential to improving system performance, reliability, security, and the District's ability to support modern application workloads going forward.

As part of this effort, a dedicated rack power evaluation will audit current power distribution, capacity utilization, and cooling efficiency across all server racks. By identifying circuits operating near capacity limits, considering consolidation opportunities, and filling

infrastructure gaps avoidable system outages will be mitigated and or prevented. Aging physical servers, switches, and supporting hardware will be replaced with current-generation equipment, reducing failure risk, lowering energy consumption, and improving overall data center performance and density.

Across the broader server environment, the District is executing a systematic program to lift all servers still running legacy operating systems to current supported versions. This reduces the attack surface, eliminates the maintenance overhead of sustaining unsupported platforms, and ensures compatibility with modern applications and security tooling being deployed across the District's infrastructure.

The District's on-premise Exchange email server is being upgraded to a current supported version or evaluated for migration to Exchange Online as part of the active Office 365 transition. This eliminates the security and reliability risks associated with running aging email infrastructure, improves performance, and aligns the District's email platform readiness with its upcoming Office 365 and single-domain integration strategy.

The District's Certificate Server which manages the issuance and renewal of digital security certificates used to authenticate systems, encrypt communications, and support secure internal services which are being upgraded to a current platform. An outdated certificate infrastructure creates cascading security vulnerabilities across every system that depends on it, making this a high-priority foundational upgrade to address this concern.

### ***Outreach and Communications***

Comprehensive and strategic public interaction and outreach will continue to play a critical role in District activities. By continuing successful initiatives such as multilingual outreach; community-based education; increased presence on radio, print, web, social media, digital media and TV media outlets; multi-generational outreach programs such as the Healthy Air Living Schools activity kits and kids calendars, the *Believe It* grant videos profiling real people, public-facing air quality tools and collaborative partnerships with EDCs, Public health agencies and others which leverage resources, the District will continue to solidify its presence in the community and build an understanding with the public of everyone's role in improving air quality.

The District will continue to utilize third party subcontractors to assist with other outreach needs, when such subcontracts provide a high level of customer service, project efficiency, and economic sense. For example, the District works with a third-party Hmong and Punjabi translation service provider to assist with a variety of public notices. Since the District does not have certified Hmong or Punjabi translators on staff, this service is an inexpensive way to provide public documents in these languages without hiring new staff. Additionally, the District's Spanish Translation team has developed a variety of tools to assist with Spanish translation and interpretation needs. These tools include shared email and database resources to assist with the translation of more technical documents.

### **Human Resources**

The District's Human Resources Department continues to prioritize efficiency through process improvements and system enhancements. The ongoing development of the internally designed Human Resources Management System (HRMS) plays a central role in this effort by improving the tracking and management of employee data, enhancing reporting capabilities, and reducing reliance on manual processes. These updates contribute to increased accuracy, improved internal controls, and more efficient use of staff time.

In addition, Human Resources has improved the efficiency of the onboarding process by implementing a pre-employment documentation process for new hires. This approach allows key onboarding forms to be completed prior to the employee's first day, enabling the creation of employee profiles in advance and significantly reducing first-day administrative tasks. As a result, onboarding timelines are shortened, processing efficiency is improved, and new employees are better positioned to begin their roles productively from day one.

The Department is also prioritizing cross-functional training within the Human Resources management team to strengthen overall operational effectiveness. By expanding knowledge across key functional areas, Human Resources is reducing reliance on single-subject expertise and increasing the team's ability to provide consistent support across programs. This approach enhances continuity of operations, improves responsiveness to organizational needs, and allows for more efficient allocation of workload. Cross-training efforts will continue to be a focus to ensure a well-rounded, adaptable team capable of supporting the District's evolving priorities.

**SUMMARY OF POSITIONS**

<u>Title</u>	<u>2025/2026</u>	<u>2026/2027 Recommended</u>	<u>Increase/ Decrease</u>
Accountant I/II	6.0	6.0	0
Accounting Assistant I/II	5.0	5.0	0
Accounting Technician I/II	4.0	4.0	0
Air Quality Education Rep Bilingual I/II	3.0	3.0	0
Air Quality Education Rep I/II	2.5	2.5	0
Air Quality Specialist I/II	2.0	2.0	0
Assistant Counsel I/II	1.0	1.0	0
Audio Video Specialist I/II	.5	.5	0
Chief Communications Officer	1.0	1.0	0
Controller	1.0	1.0	0
Deputy APCO	3.0	3.0	0
Deputy Clerk to the Board	1.0	1.0	0
Director of Administrative Services	1.0	1.0	0
Director of Community Strategies & Resources	1.0	1.0	0
Director of Human Resources	1.0	1.0	0
Director of Information Systems	1.0	1.0	0
District Counsel	1.0	1.0	0
Executive Assistant	1.0	1.0	0
Executive Director/APCO	1.0	1.0	0
Facilities Maintenance Specialist	1.0	1.0	0
General Services Foreman	1.0	1.0	0
Human Resources Analyst I/II	1.0	1.0	0
Human Resources Assistant (Conf) I/II	1.0	1.0	0
Human Resources Manager	1.0	1.0	0
Human Resources Technician (Conf) I/II	2.0	2.0	0
Information Systems Manager	1.0	1.0	0
Legal Technician (Conf)	1.5	1.5	0
Maintenance Worker	1.0	1.0	0
Network Systems Analyst I/II	8.0	8.0	0
Office Assistant I/II	3.0	3.0	0
Office Services Manager I/II	2.0	2.0	0
Operations Support Supervisor	1.0	1.0	0
Program Manager	2.0	2.0	0
Programmer/Analyst I/II	8.0	8.0	0
Senior Accountant	3.0	3.0	0
Senior Air Quality Education Rep Bilingual	1.0	1.0	0
Senior Air Quality Specialist	1.0	1.0	0
Senior Human Resources Analyst	1.0	1.0	0
Senior Network Systems Analyst	2.0	2.0	0
Senior Network Systems Security Analyst (Conf)	1.0	1.0	0
Senior Office Assistant	2.0	2.0	0

<u>Title</u>	<u>2025/2026</u>	<u>2026/2027 Recommended</u>	<u>Increase/ Decrease</u>
Senior Programmer Analyst	3.0	3.0	0
Senior Web Specialist	1.0	1.0	0
Supervising Accountant	3.0	3.0	0
Supervising Air Quality Education Rep Bilingual	1.0	1.0	0
Supervising Network Systems Analyst	1.0	1.0	0
Supervising Programmer/Analyst	1.0	1.0	0
<b>TOTAL</b>	<b><u>92.5</u></b>	<b><u>92.5</u></b>	<b><u>0</u></b>

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**Administration**

	Adjusted* FY 25-26	Recommended FY 26-27	Budget/Budget	
			Increase (Decrease)	%
<b>OPERATING APPROPRIATIONS</b>				
<b>SALARIES AND BENEFITS</b>				
Regular Salaries	\$10,145,599	\$10,712,649	\$567,050	6%
Temporary Help	\$95,354	\$102,692	\$7,338	8%
On Call Pay	-	-	-	-
Overtime	\$141,595	\$123,928	(\$17,667)	(12%)
Unemployment	\$19,688	\$21,389	\$1,701	9%
Retirement	\$4,828,207	\$4,733,235	(\$94,972)	(2%)
OASDI	\$161,802	\$166,846	\$5,044	3%
Workers Compensation	\$99,403	\$97,879	(\$1,524)	(2%)
Cafeteria Plan Benefits	\$1,152,991	\$1,186,460	\$33,469	3%
Long-Term Disability Insurance	\$25,349	\$26,472	\$1,123	4%
Alternate Transportation Incentive	\$70,980	\$73,320	\$2,340	3%
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$16,740,968</b>	<b>\$17,244,870</b>	<b>\$503,902</b>	<b>3%</b>
<b>SERVICES AND SUPPLIES</b>				
Safety Supplies & Equipment	\$16,900	\$16,200	(\$700)	(4%)
Mobile Communications	\$43,681	\$46,718	\$3,037	7%
Telephone Charges	\$15,474	\$15,855	\$381	2%
Insurance	\$272,872	\$299,769	\$26,897	10%
Equipment Maintenance	\$38,547	\$40,111	\$1,564	4%
Vehicle Maintenance & Operations	\$65,400	\$26,300	(\$39,100)	(60%)
Computer Maintenance	\$442,263	\$395,080	(\$47,183)	(11%)
Video Conferencing Maintenance & Operations	\$101,800	\$103,500	\$1,700	2%
Building Maintenance & Operations	\$92,264	\$85,511	(\$6,753)	(7%)
Office Supplies	\$14,028	\$11,046	(\$2,982)	(21%)
Computer Software & Supplies	\$91,459	\$94,539	\$3,080	3%
Monitoring Station Supplies & Equipment	-	-	-	-
Postage	\$21,400	\$23,900	\$2,500	12%
Printing	\$111,441	\$110,853	(\$588)	(1%)
Professional & Specialized Services	\$1,696,374	\$1,608,983	(\$87,391)	(5%)
Publications & Legal Notices	\$19,000	\$19,000	-	-
Rents & Leases	\$8,113	\$18,011	\$9,898	122%
Small Tools & Equipment	\$24,565	\$24,771	\$206	1%
Special District Expense	\$211,520	\$240,617	\$29,097	14%
Travel & Training	\$150,110	\$149,865	(\$245)	-
Travel & Training - Boards	\$39,550	\$71,550	\$32,000	81%
Utilities	\$113,070	\$119,424	\$6,354	6%
Audit Services	\$37,000	\$38,000	\$1,000	3%
Legal Services	\$342,400	\$342,400	-	-
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$3,969,231</b>	<b>\$3,902,003</b>	<b>(\$67,228)</b>	<b>(2%)</b>
<b>FIXED ASSETS</b>				
Office Improvements	\$28,685	\$12,010	(\$16,675)	(58%)
Facilities & Equipment	\$59,303	\$14,506	(\$44,797)	(76%)
Computer Equipment	\$145,208	\$150,891	\$5,683	4%
Office Furniture / Equipment	\$8,684	\$8,741	\$57	1%
Office Machines	\$2,382	\$3,042	\$660	28%
Telephone Systems	\$2,440	\$2,696	\$256	10%
Automobiles	\$74,000	\$150,000	\$76,000	103%
Video Conferencing System	\$10,000	\$10,000	-	-
<b>TOTAL FIXED ASSETS</b>	<b>\$330,702</b>	<b>\$351,886</b>	<b>\$21,184</b>	<b>6%</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$21,040,901</b>	<b>\$21,498,759</b>	<b>\$457,858</b>	<b>2%</b>

\* Adjusted Budget as of 4/16/2026

# COMPLIANCE

**FISCAL SUMMARY**

	<u>Budgeted 2025-26</u>	<u>Recommended 2026-27</u>	<u>Increase/ (Decrease)</u>	
<u>Appropriations</u>				
Salaries and Benefits	14,723,830	15,177,306	453,476	3%
Services and Supplies	1,493,903	1,565,606	71,703	5%
Fixed Assets	808,706	498,518	(310,188)	-38%
Total	<u>17,026,439</u>	<u>17,241,430</u>	<u>214,991</u>	<u>1%</u>

<u>Position Summary</u>	91.5	91.5
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**FUNCTIONS**

The District’s Compliance Department performs a full suite of enforcement and compliance assistance activities to ensure adherence to District, state, and federal rules and regulations. The program objectives for the Compliance Department are set forth in federal and state law and the District’s air quality attainment plans. To achieve these program objectives, District staff annually perform inspections at over 15,000 permitted facilities, respond to nearly 2,600 public complaints, and verify emissions reductions at thousands of locations where incentive projects have been implemented.

The major functions of the District’s Compliance Department are as follows:

**Inspections of Stationary Sources**

The District performs thousands of comprehensive on-site inspections each year to ensure compliance with District requirements. These inspections play a key role in helping to meet clean air requirements as set forth by the United States Environmental Protection Agency (EPA), the California Air Resources Board (CARB) as part of Federal Title V, EPA 105 Grant, and State Subvention requirements.

Under the District’s variable inspection frequency policy, inspection frequencies are assigned considering various factors, including a source’s compliance and complaint history, potential for air quality impact, frequency of equipment use, presence of toxic air contaminants, and potential for violations. Initial inspections of new and modified operations are performed as well, and they allow the District to ascertain whether the associated equipment complies with District rules. This District service can alert the source to any deviations from requirements, limiting any periods of non-compliance.

### **Complaint Investigations**

The District receives thousands of complaints each year for which timely responses and investigations of alleged sources of non-compliance are top priorities. Inspectors are on-call 24 hours per day, and use automated voicemail and computer systems to facilitate the timely response to complaints in order to abate potential public nuisances. Along these same lines, the District added the ability to easily submit complaints, including video and photographs, online via the District's website, and through the District's mobile smartphone applications. The District provides a multilingual website, phone app, and telephone complaint line and also has the capability to utilize translation services to ensure that all Valley residents and stakeholders are properly served.

### **Compliance Assistance**

Since its inception, the Compliance Assistance program has emphasized an educational approach to assist Valley residents and businesses understand and comply with a variety of air pollution regulations. Residents and businesses throughout the Valley are provided with:

- **Individualized Assistance**  
Personalized, one-on-one help is provided to thousands of residents and businesses to ensure they understand the District's requirements.
- **Compliance Assistance Bulletins**  
Active evaluation of upcoming rule compliance dates and analyzing compliance rates for various requirements to develop assistance bulletins that are then distributed and made available online for affected groups including, but not limited to, Valley residents, state and federal agencies, realtors, building departments, contractors, industrial and commercial facilities, and farmers.
- **Compliance School**  
Training classes provide information on the topics of open burning, gasoline vapor recovery, and wood burning fireplaces and heaters.
- **Gasoline Station Tester Training**  
Ongoing training for contractors is provided for those wishing to perform vapor recovery testing within the District. A District rule requires testers be certified and ensures an adequate pool of qualified contractors from which stakeholders can select.
- **Asbestos Training**  
Comprehensive assistance on asbestos regulations is provided to the public, building industry, building departments, fire departments, and realtors. Staff continues to spend considerable time providing one-on-one assistance, in addition to group trainings, to the regulated community.
- **Rule 4901 (Fireplace and Wood Burning Heater) Education**  
Staff responds to public inquiries concerning the program, including providing compliance assistance brochures, and one-on-one assistance to explain the rule requirements and steps needed to comply.

- **Regulation VIII (Fugitive Dust) Education**  
Staff organizes and conducts classroom training for all groups required to submit Dust Control Plans (DCPs) for construction activities and provides ongoing training as needed.
- **Prescribed Burning Outreach**  
The District meets periodically with other agencies and land managers including the USDA Forest Service, National Park Service, US Fish and Wildlife Service, Bureau of Land Management, and the California Department of Forestry and Fire Protection to better coordinate these efforts for the purpose of ensuring high hazardous fuels are being reduced while also ensuring smoke impacts from prescribed burns and wildfires are minimized to the maximum extent possible. Compliance staff routinely participate on a daily “1 O’clock Call” during fire season to stay up-to-date regarding ongoing wildfires, prescribed burn activities, and smoke impacts throughout the Valley’s air basin.
- **Access to Compliance Policies**  
Compliance policies are available on the District’s website for stakeholders to review, comment on, and use to assist them with complying with District requirements. The District website is updated regularly with new or modified policies to ensure availability of current information.
- **Permit Stakeholder Meetings**  
The District’s Compliance Department continues to participate in these meetings and provides key updates at these meetings and looks to receive feedback and recommendations from stakeholders regarding topics being discussed and items for future discussion. The District identifies upcoming rule requirements, provides clarification on rule and policy requirements, responds to industry inquiries, and provides updates in the meetings as another way of providing compliance assistance.

### **Emissions Reduction Incentive Program Inspections**

To ensure that the emissions reduction projects funded by the District’s incentive programs are real and permanent, the District monitors pre-contract and post-contract guideline adherence of grant recipients. Thousands of field inspections are conducted to verify that equipment is appropriately controlled or replaced, that it is adequately maintained, and verification that older equipment has been properly disposed of. Incentive projects requiring compliance inspections include the replacement of older, higher polluting equipment and vehicles with cleaner options, including heavy-duty diesel trucks, school buses, locomotives, tractors, low-dust nut harvest equipment, forklifts, Ag UTVs, emissions controls on trucks, electric vehicle charging infrastructure, and other related control strategies. Each of these funded projects has inspection requirements, with some requiring multiple inspections at various stages of the project to ensure emission reductions are realized as intended.

### **Emissions Testing**

District inspectors directly oversee hundreds of source tests conducted at stationary sources for the purpose of measuring air pollutants. District staff have three main tasks when overseeing source tests at stationary sources. First, District staff review the protocols to ensure proper testing procedures and methods will be performed, and that the source test contractor has the proper equipment and certifications to conduct the testing. This service is beneficial to the source as it ensures the proper test is performed and eliminates the chance for additional testing due to improper testing methods or lack of proper tester certification. The second task is to witness the test to ensure the source test contractor follows the correct test methods and procedures. Lastly, District staff reviews the source test results to ensure the data is properly reported, and to act promptly on any compliance issues related to the testing.

Additionally, District staff are equipped with the latest portable exhaust gas analyzer technology to assess the emissions from internal combustion engines, boilers, and other combustion devices to ensure they are operating within emissions requirements. This service can alert sources to compliance issues and result in efforts to quickly return any non-compliant equipment as quickly as feasible.

The source testing program has expanded to include continuous long-term testing of new technology to verify that it can meet strict air quality regulations. This service is invaluable for the development of new regulatory requirements and will assist industry in determining which control strategies work best.

### **Portable Equipment Inspections**

The District implements a portable equipment registration program that allows operators within the San Joaquin Valley to register equipment whose primary function requires it to be moved on a routine basis. Operators submit registration applications that are closely reviewed and discussed with the operator to ensure that the manner in which the equipment will be used is appropriate for portable equipment registration.

In addition to inspecting portable equipment registered in the District's portable equipment registration program, the District also inspects portable equipment registered in the State of California's registration program. There are several hundred portable equipment units that require inspection every year.

Examples of the types of portable equipment inspected include portable concrete batch plants, oil well service equipment; engines that power electrical generators, power sandblasting/painting operations; grinding and screening equipment, and air curtain incinerators. This equipment can move many times during the course of the year. Inspections are conducted at large storage yards or in the field when the equipment is in operation.

### **Gasoline Station Inspection and Testing Program**

Gasoline stations, in aggregate, are one of the largest potential sources of volatile organic compounds in the Valley. A comprehensive and effective permitting, inspection, and testing program is important to ensure the vapor recovery systems operate as designed and the Valley realizes the emission reductions anticipated from requirements in District Rules 4621 (Gasoline Transfer Into Stationary Storage Containers, Delivery Vessels and Bulk Plants) and 4622 (Gasoline Transfer into Motor Vehicle Fuel Tanks).

District staff continues to inspect gasoline station vapor recovery systems on a routine basis, looking for torn hoses, damaged nozzles, and missing parts. Over the years, there have been numerous changes in vapor recovery technology and state laws such that simple visual inspections are no longer sufficient. More emphasis is now being placed on the District's oversight of certified third-party performance tests that ensure the effectiveness of gasoline station emission control equipment. As a result, the District has implemented a gasoline dispensing tester certification and training program to ensure qualified third-party contractors are available for operators of this equipment.

### **Agricultural and Prescribed Burning**

Agricultural burning in the San Joaquin Valley is closely regulated by the District. Legislation has phased out a majority of agricultural burning, but it is still allowed for a limited number of crop types where there are no economically or technologically feasible alternatives to burning available. As of January 1, 2025, all vineyard removals, small orchard removals, and surface harvested prunings are now prohibited from open burning with limited exceptions for apple, pear, and quince orchards due to disease issues, and other diseased materials. There are also a few other limited materials where burning will continue to be allowed, including rice straw, rice levees/banks, attrition materials, tumbleweeds, and other noxious weeds; as well as for other maintenance purposes.

District staff utilizes a sophisticated Smoke Management System (SMS) to manage permitted burning projects and track their status. Current concentrations of air pollution and expected meteorological conditions are used to determine if burning is allowed and how much may be burned. The SMS divides the Valley into 97 zones. Each zone is analyzed and given a burn status and permissible burn acreage allocation. The goal of the SMS is to protect the public and prevent significant deterioration in air quality.

In order for a farmer to burn, they must first obtain a District permit and must receive approval to burn each day they wish to do so. Field staff monitor burning to ensure only authorized materials are burned and that best management practices are followed to minimize smoke impacts to the public.

Prescribed burning by land management agencies is another activity regulated by the District. In accordance with Title 17 of the California Code of Regulations, the District reviews burn plans, provides burn authorizations, and monitors the fires. District staff also have an ongoing dialogue with land management agencies and other air districts to improve communication and cooperation among all parties. To this end, the District continues to lead state-wide efforts to establish communication protocols between air districts and the land management agencies to ensure the smoke is well managed and its impact upon air quality and public health is reduced to the maximum extent feasible.

Additionally, District staff coordinate with Land Management Agencies to deploy portable PM2.5 monitors to inundated areas and ensure communities have online access to the evolving smoke impacts. These communication protocols are vital due to changes in federal policy on wildfire management. The District is concerned that wildfires managed under the new federal policy may have greater impacts on valley residents. To address the concern over this potential, the District will have a greater presence during the fire season to help

minimize smoke impacts. Staff will continue to conduct inspections and coordinate closely with land managers.

### **Residential Wood Burning Heater and Fireplace Program**

Further reducing residential wood smoke emissions is a high priority under the District's Residential Woodsmoke Reduction Strategy, given the significant localized health impacts associated with residential wood smoke. Scientific studies show that prolonged inhalation of wood smoke contributes to lung disease, pulmonary arterial hypertension, and pulmonary heart disease, which can eventually lead to heart failure. The rule is designed to improve public health by reducing toxic wood smoke emissions in Valley neighborhoods during the peak PM2.5 winter season (November through February).

Since 2004, the District has had a robust enforcement program for designated wood burning curtailment days to ensure the District is achieving the expected emission reductions as a result of the requirements of the rule. This includes having a significant portion of field staff assigned to conduct proactive observations each day in counties with declared wood burning curtailments. These proactive efforts are also conducted on days that District offices are closed, and at night-time during the peak PM2.5 winter season.

### **Mutual Settlement Program**

The Mutual Settlement Program evaluates violations of delegated federal and state regulations and District rules and works with the parties, who have violated the requirements, to come to a mutually agreed upon settlement within requirements established under the California Health and Safety Code and federal law. The Mutual Settlement Program is centralized in the Fresno office to provide for independent review and Valley-wide consistency in the settlement of thousands of violations every year. The program settles the majority of the cases through this mutual settlement process, with only a small percentage of cases requiring referral to the District's Legal department, which greatly reduces costly litigation.

### **Continuous Emissions Monitoring System Polling**

Many stationary sources of air pollutants throughout the District are required to monitor their emissions with instruments known as Continuous Emissions Monitoring Systems (CEMS). While these instruments are invaluable in ensuring the facilities operate properly, it is very time consuming for inspectors to travel to each facility to review the records of the emissions. In an effort to better utilize existing resources, the District maintains an electronic CEMS polling system to automatically gather daily emissions data from each facility with an operating CEMS. Internal systems have been designed to evaluate received CEMS data and immediately notify inspectors of potential excess emissions or polling problems with the data.

### **Fugitive Dust Regulation**

District fugitive dust rules for construction sites require the submittal of Dust Control Plans (DCPs) for residential developments when there will be ten acres or more of disturbed surface area, for non-residential developments when there will be five acres or more of disturbed surface area, or if more than 2,500 cubic yards of earth will be moved on at least 3 days of a project. To ensure that construction operators are able to comply with dust control requirements, District staff provides training classes for those required to submit DCPs, and

reviews each plan prior to the start of construction. A minimum of one field inspection is also required for each site.

The District also has fugitive dust rules that apply to bulk materials, carryout and trackout, open areas, paved and unpaved roads, vehicle equipment traffic areas, and off-field agricultural operations. These rules have many specific requirements with the most important being that surfaces have to be stabilized to prevent visible emissions and visible emissions may not exceed 20% opacity in any three minutes in an hour along with necessary recordkeeping to demonstrate ongoing compliance.

### **Permit-Exempt Equipment Registration**

The District has developed and implemented an innovative Permit-Exempt Equipment Registration (PEER) rule, designed to achieve emissions reductions of permit-exempt equipment through a streamlined registration process that fits well with the typically smaller and lower-emitting equipment to which it applies, minimizing the overall workload required to implement the program. District staff routinely inspects the hundreds of permit-exempt equipment registrations issued each year, typically alongside other permitted or regulated processes, to efficiently ensure compliance with the emissions standards stipulated by District rules and registration conditions.

### **Conservation Management Practices Plans**

The District, with strong coordination and cooperation with the Valley's agricultural representatives, as demonstrated by the implementation of its innovative and nation-leading Conservation Management Practices (CMP) plan program, are now responsible for regulating and updating thousands of CMP plans, which are designed to decrease dust emissions from agricultural operations on farms, dairies, and other confined animal operations. Along with issuing and modifying the plans, the District performs inspections of agricultural facilities with CMPs to verify that they are complying with the management practices the operator selected, and that they are recording and maintaining the necessary documentation.

### **Hearing Board Activities**

Petitions for variances are received, reviewed, and researched by the District's Compliance Department staff. Each petition results in a written staff report and a presentation of the case to the applicable Hearing Board having jurisdiction. Staff also handle public noticing of the hearings, reports of Board decisions, and variance tracking to ensure sources comply with approved variances and other Hearing Board orders.

### **New Workload**

The workload associated with the duties performed by the District's Compliance Department, as discussed below, are expected to be accommodated by constant evaluation and assessment of District priorities and continuing to implement streamlining and efficiency improvements in all areas.

The District will need to continue to ensure facilities are complying with District rules and state regulations that will have increased compliance needs in Fiscal Year 2026-27 including: Rule 4103 – Open Burning; Rule 4320 – Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters; Rule 4306 – Boilers, Steam

Generators, and Process Heaters, and Rule 4901 – Wood Burning Fireplaces and Wood Burning Heaters, Rule 4905 – Natural Gas-Fired, Fan-Type Central Furnaces. Additionally, Compliance staff will be providing their expertise for rule development projects including conservation management practices, commercial cooking, the state’s criteria pollutant and toxics emissions reporting regulation, and potential updates to federal and state oil and gas regulations.

**The State’s Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation**

A significant increase in workload for the point source industry for 2026-27 is expected due to the ongoing phase-in schedule of CTR, a state regulation requiring regulated facilities to report their criteria air pollutants and toxic air contaminant emissions. In the coming year, the District will continue to prepare and update facility criteria and toxics inventories, including nearly 7,600 facilities that are required to provide inventories under the state’s CTR. The District’s Compliance Department devotes significant resources to conducting compliance assistance with respect to the ongoing CTR reporting requirements, including making field visits to affected facilities and offering individualized assistance to stakeholders to ensure the District receives the state required information.

**Potential Additional Work from State’s Oil and Gas Regulation Amendments**

The District entered into a Memorandum of Agreement (MOA) with CARB, as a means of best utilizing District and state resources to improve customer service to the regulated oil and gas community. The MOA allows the District to enforce the state regulations. This is a streamlining measure because much of the equipment regulated under the state regulations are already subject to District rules. Utilizing District staff to inspect for both District and state requirements at the same time results in a reduction in the number of onsite inspections performed, and also harnesses the considerable knowledge and experience that District staff have in performing these types of inspections to ensure they are thorough and complete. The District has been receiving regular updates from CARB on efforts currently underway to amend the state’s Oil and Gas Regulation to comply with federal requirements. The District has been, and will continue to be, involved in the process to provide valuable perspective and insight into the changes that are being considered and any real world impacts they may have. The amendments that have been proposed would significantly increase the amount of work necessary to perform these inspections through the elimination of existing exemptions and requiring more equipment to be registered and inspected. Additionally, proposed reductions to the leak thresholds may impact compliance levels and the associated paperwork that may entail.

**Expected Additional Work from State’s Landfill Methane Regulation Amendments**

The District has also entered into a Memorandum of Understanding (MOU) with CARB, as a means of best utilizing District and state resources to implement and enforce the State’s Landfill Methane Regulation (LMR). This has historically been a streamlining and customer service measure for our regulated landfills since much of the requirements under the LMR had aligned closely with other federal requirements the District is already responsible for implementing. Recent amendments to the LMR are expected to significantly increase the amount of work necessary to perform inspections by adding several additional monitoring, reporting, and recordkeeping requirements for landfills that are now more stringent than the federal requirements. These more stringent requirements may also impact compliance

levels and associated enforcement work.

### **Extension of Winter Wood Burning Season**

Rule 4901 reduces emissions from residential burning through stringent curtailment requirements during the woodburning season. Through the District's Residential Woodsmoke Reduction Program, the District has declared and enforced episodic wood burning curtailments, also called "No Burn" days, since 2003. Per commitments in the 2024 PM2.5 Plan, the District committed to further reduce PM2.5 emissions from wood burning fireplaces and heaters by extending the wood burning season through March 31. This will require additional staff time to enforce the requirements for an additional month.

### **Significant Grant Funded Equipment Replacement Inspections**

As a direct result of the District's advocacy efforts at the state and federal levels, and working closely with Valley stakeholders, the District has been successful in advocating for a significant level of incentive funding for the Valley, which will be used to greatly assist in achieving the enormous emission reductions necessary for achieving the commitments in the approved State Implementation Plans aimed at attaining the federal health-based standards. In 2026-27, the District expects to receive an additional \$196 million from a variety of local, state, and federal sources for use in funding voluntary incentive-based emission reduction projects. Additionally, the District will have access to funds received prior to 2026-27 carried forward as reserved fund balance. These two sources will bring the total incentive funds available to the District in 2026-27 to \$311.7 million.

The significant amount of funding for voluntary incentive-based programs and the community engagement, monitoring, and protection mandates will lead to a significant amount of District workload. To ensure each equipment replacement project is realizing the expected benefits, the District inspects both old and new equipment multiple times throughout the process. Each vehicle or piece of equipment is inspected as soon as possible after the initial application is submitted to capture and document, with photographs, the condition of the vehicle. It is estimated that this level of funding may result in thousands of inspections being required.

### **Implementation of State's Community Air Protection Program**

In 2026-27, the District will continue to work on the implementation of AB 617, the state's Community Air Protection Program, in the Arvin-Lamont Community, and other low-income/disadvantaged communities throughout the Valley. As part of the adopted CERP for Arvin-Lamont, the District committed to implementing a number of new enforcement efforts focused on enhanced enforcement and compliance assistance measures aimed at increasing compliance with District rules and state law, thereby limiting the potential for localized air quality impacts. Enhanced enforcement and compliance assistance measures were selected based on the needs of the community. Those selected measures include:

- Enhanced enforcement at stationary sources with a recent history of emissions violations
- Enhanced enforcement of the state's heavy-duty vehicle anti-idling regulation via increased surveillance

- Enhanced enforcement of fugitive dust requirements through increased inspections and surveillance of projects potentially subject to the requirements

The implementation of these measures requires significant staffing resources as ongoing, targeted compliance efforts in the community are maintained to ensure emission reductions are achieved.

In addition to this work, the District has been engaging with other low-income and disadvantaged communities across the Valley and have been sharing information about the programs and services that the District, and in particular the Compliance division, provide. The District has been supporting these efforts by having Compliance staff attend and provide presentations on enforcement resources available to them and an explanation on how to obtain and use these tools and resources. In most instances, the District looks to provide staff who are fluent in Spanish to provide updates or, when not possible, providing real-time interpretation. These efforts often result in higher levels of utilization of these resources and services, mostly in the form of air quality complaints being filed and requests to present information.

### **State-wide Methane Task Force and Satellite/Flyover Methane Data**

The State-wide Methane Task Force (Task Force) is a joint effort led by the Department of Conservation's California Geologic Energy Management Division (CalGEM) and CARB, which seeks to identify and respond to methane leaks from oil infrastructure near communities.

Called for by Governor Newsom in a July 2022 letter to the CARB Chair, the Task Force will convene on a regular basis to share updates with the public on efforts underway at CalGEM and CARB aimed at addressing methane leaks from oil and gas infrastructure, and to elevate opportunities for deeper public and local agency engagement across these programs and efforts.

Air districts play a key role as they have stationary source regulations and have been delegated the responsibility for enforcing the state's COGR regulation. The District has been engaged with the lead agencies throughout the development of the State-wide Task Force, offering expert insight related to state and local oil and gas regulation and enforcement, and completing joint-inspections in and around the cities of Shafter, Arvin, and Lamont areas. Coordination between the District and the state agencies within the Task Force is expected to continue in the 2026-27 fiscal year as the Task Force plans its next joint inspection initiatives within the Valley. Through this coordination, the District aims to maximize the efficiency of the Task Force's joint inspections within the San Joaquin Valley by participating in planning and pre-inspection activities, and to facilitate the Task Force's targeted dialogues with communities where these activities may take place.

Additionally, CARB has launched a satellite that is currently collecting methane plume data from sources throughout the state. Logistical plans are being developed to outline when air districts will be notified of significant plumes for action to be taken. These notifications will be important for Compliance staff to perform investigations as they may be indicators of significant non-compliance with District/state/federal requirements under the District's purview.

## **Efficiency and Customer Service Enhancements**

Meeting new mandates without increasing staffing levels requires vigilant efforts to constantly evaluate District priorities, streamline functions, and identify and implement efficiency enhancements. The District's Compliance Department has continued to develop new policies/procedures and amend existing policies/procedures to enhance consistency and efficiency while never sacrificing customer service or the thoroughness and completeness of inspections and investigations. Providing detailed policies and standardizing operating procedures assists staff by answering common questions and providing guidance on common situations that may arise while they are performing their duties. Detailed policies also help to ensure consistency among staff in all three regions. Furthermore, well-trained staff ensure the highest level of customer service to stakeholders. For this reason, the District continuously evaluates its Compliance training program to ensure staff are provided with training opportunities that will improve their technical skills and customer service.

As part of inspection efficiency improvements, the District embarked on an effort aimed at reducing unnecessary redundancies with inspection paperwork. Transitioning to paperless processes and inspection forms, and further streamlining and refining them to ensure important, relevant information, is captured while limiting overall time spent on report writing. Furthermore, the District continues to expand the use of clerical and office-based support staff to process electronic paperwork and perform other office-based duties to allow field-based inspection staff to remain in the field conducting inspections. The process by which Supervisory staff assign grant inspections to their field team was further streamlined following workflow upgrades to the District's state of the art Grant Management System (GMS), which continues to receive improvements. These streamlining efforts will reduce the administrative time related to inspection preparation and coordination, which will translate into more prompt field verifications of project emissions and payment disbursement to stakeholders participating in the District's various incentive programs.

### **Optimizing Enforcement Resources**

District Compliance staff inspect tens of thousands of emissions generating equipment and processes each year, ensuring air quality improvements through compliance with permit conditions, District Rules, as well as state and federal regulations. To optimize the responsiveness and quality of the services enforcement staff provide, the District has implemented effective and robust methods for supervising staff to utilize when assigning work to their teams. One method is an Inspection Prioritization Tool, which prioritizes the most critical inspections weighted in part by a facility's compliance history, potential emissions, and proximity to communities. This tool aligns enforcement staff toward the common goal of targeting compliance assistance and education efforts to regulated facilities and communities that would benefit the most, while ensuring those services equitably reach all Valley stakeholders.

A key underpinning of the District's enforcement programs is the in-person accessibility of Air Quality Field Assistants and Air Quality Inspectors to District stakeholders. The dialogue that Compliance staff build with community members, and the professionalism established

with regulated businesses, support a strong, well-communicated regulatory framework. Toward this end, the District has developed tools to monitor the deployment of Compliance staff in their assigned communities and ensure accessibility to their stakeholders is optimized. This optimization translates into faster response times to public complaints, improved efficiency for inspection routes, and increases the likelihood to observe, and if possible correct, short-lived causes of deteriorating local air quality.

### ***Prescribed and Hazard Reduction Burning***

As directed by the District's Governing Board in November 2015, District staff has continued to work to facilitate effective use of prescribed burning as a means to reduce the number and severity of future wildfires. California's national forests are still recovering from the devastating consequences of the tree mortality epidemic as a result of unprecedented drought, bark beetle infestation, and high tree densities, from which an estimated 129 million trees have died according to the US Forest Service. This issue is still very relevant as the Sierra Nevada region has experienced a number of the largest wildfires in state history in recent years.

Since December 2023, the District and CAL FIRE have operated under a Memorandum of Understanding (MOU) that provides an online, "one-stop shop" for obtaining hazard reduction burn permits in the Valley. The new process improves customer service by eliminating the need for residents to physically visit their local CAL FIRE station to fill out and obtain their hazard reduction permit. This MOU has helped to achieve the goal of streamlining the hazard reduction burning permitting process to reduce fuels and prevent devastating wildfires, which is an important piece of the overall state and federal fuel load reduction strategy to better protect personal safety, public health, and property.

Another example of the District's ongoing collaborative efforts is its work with local, state, and federal land managers and fire suppression agencies to identify gaps in land management and fire suppression policies and practices, while developing solutions to provide increased opportunities to reduce the high hazard waste from the tree mortality in a manner that limits the air quality impacts to Valley residents and localized impacts to nearby receptors. Furthermore, recent state laws, policies, plans, and Executive Orders require that public land management agencies increase the scale and scope of their fuel reduction efforts, including increasing the use of prescribed burning. These laws, policies, plans, and orders also task CARB and local air districts with facilitating this increase in prescribed burning and increasing the monitoring of emissions impacts from such projects. These efforts to collaborate with land management agencies to facilitate and monitor increased levels of prescribed burning have resulted in significant new workload. To aid in this effort, the District had previously entered into a Memorandum of Understanding with the California Air Pollution Control Officers Association, which continues to provide more resources to air districts who perform these tasks.

### ***Improved Inspection Reporting for Grant Inspections***

Building on the assignment work flow upgrades to GMS, the District is planning on implementing a built-in inspection form to allow Air Quality Field Assistants (AQFAs) to complete select inspection reports within GMS – the same software that all grant programs are tracked and processed. AQFAs spend a significant amount of their time conducting

inspections of numerous grant programs to ensure program guidelines are adhered to, and that the emissions reductions of each project are accurately accounted for. This further enhancement will bypass the current need for AQFAs to have multiple programs open while conducting equipment inspections and the need to assemble and email individual inspection reports, thereby streamlining the submittal of inspection reports for lead review, and achieving key processing milestones more quickly.

### **Fleet Management and GPS Optimization**

The Compliance Department has equipped fleet vehicles with the latest advancements in GPS communication technology to maximize the quality of services provided to Valley stakeholders. The District subscribes to a web-based GPS fleet management platform that enables geofencing, fleet reporting, trip playback, and tracking functionality. The benefit of these capabilities is passed onto stakeholders in the form of more efficient route planning for compliance inspections, and reduced complaint response times.

### **Online Submittal of Dust Control Plans**

Prior to launching an online portal for businesses to submit required Dust Control Plans (DCPs) and construction notifications electronically, the District identified additional launch features that would include review workflows for District staff. The District is finalizing these additional launch features to ensure that the completed online portal and review processes are fully functional and intuitive to both the public when submitting applications, and to District staff when reviewing applications.

Currently, all DCPs are received as hard copies or via email. Prior to developing this process, District staff would review the submitted material and oftentimes key pieces of information needed to deem a plan complete were missing, requiring follow-up with the submitting party and waiting to receive the necessary information. Many of these projects are time sensitive and any delays could be costly to the businesses. The design of the new system limits these occurrences. In addition to reducing time by streamlining plan completion for the submitter through intuitive business rules and prompts when information is incorrect or information is missing saving them time and allowing the District to review and process the plans faster. The system is also designed in a manner that it will automatically generate responses and required reports. Report review will also be done electronically by District staff and the required response letters will be generated automatically based on staff's review. An additional benefit is that all DCPs will be easily available to staff in the field, for when they are performing site inspections or complaint investigations. When conducting complaint investigations tied directly to excess dust emissions, having the DCP and the contact information readily available can significantly reduce the time of non-compliance.

Until this online process is completed, we have created email folders for businesses to submit their DCPs electronically. Additionally, there is an existing process through which electronic payments can be made. This is an effective interim measure that eliminates the need to scan paper copies. The electronic copies are able to be quickly uploaded for storage and made available for all District staff. We have received positive feedback from businesses, construction project managers, and consultants who appreciate using the new interim system and have expressed a strong desire to use the new system once completed.

The District also provides stakeholders with the ability to process paperless DCPs as another way to submit their project paperwork. All records that are received via fax and e-mail are processed and stored electronically from start to finish; hard-copy records are scanned into PDF format and further processed electronically. This process improvement has resulted in increased efficiency by eliminating the time-intensive step of creating and archiving paper files.

### **Smartphone Application Inspection Reporting**

The District prides itself on being at the forefront of advanced technology utilization. One such example is the forthcoming development of a mobile application for District staff to complete and submit inspection reports. Development of this process will allow for timelier reporting of inspections by staff and provide the ability to easily associate pictures and video of the source with the inspection. Having the functionality to automatically collate pictures and videos into inspection reports will save time for compliance field staff, and automatically compiling inspection reports and sending them for lead review will save additional time.

### **Leveraging the Capabilities of ESRI Products**

The District has made significant investments in implementing both an ESRI Enterprise system and ArcGIS Online for District use. ESRI opens the door to many new possible innovations using geospatial data combined with other products to produce interactive map-based tools for both internal and external use. The Compliance Department has used the ESRI platform to develop the new online Dust Control Plan portal, as well as an interactive smartphone application for District inspectors, which gives them access to project information in the field and the ability to complete site inspections and upload the report directly through their smartphones. This first ESRI application developed within the Compliance Department has been a huge success, replacing older paper processes with new streamlined workflows, adding automation to reduce human errors, saving manual data entry and review time, and allowing for better data accessibility and transparency. Over the next year, we will continue to develop additional features to further streamline workflows within the dust control program as well as develop a similar tool for the asbestos program.

### **Asbestos Training Workshop**

Providing excellent service in the form of compliance assistance and education to the regulated community continues to be an integral component of the District's overall enforcement strategy. Toward that end, the District developed a comprehensive training program for the oil and gas industry regarding federal asbestos requirements at the request of industry stakeholders. The District provided several of these trainings and they were extremely well received as demonstrated by the appreciation shared by the regulated community.

## **PROPOSED STAFFING ENHANCEMENTS**

Based on a thorough review of projected workload and available efficiency measures, the FY 2026-27 Recommended Budget includes the following staffing adjustment to ensure the District remains well-positioned to meet new mandates and continue delivering high-quality service to Valley residents and businesses. This recommendation was developed through the District's zero-based budgeting process and reflects careful consideration of all feasible streamlining opportunities.

### ***Compliance Department***

#### **Reclassification of One Air Quality Inspector I to Air Quality Specialist I**

To further support the ongoing development of efficiency and customer service enhancement tools, reducing the amount of Compliance paperwork, which would allow for the reallocation of thousands of staff hours towards other District priorities, the FY 2026-27 Recommended Budget includes the reclassification of one Air Quality Inspector I position to an Air Quality Specialist I.

**SUMMARY OF POSITIONS**

<u>Title</u>	<u>2025/2026</u>	<u>2026/2027 Recommended</u>	<u>Increase/ Decrease</u>
Air Quality Assistant	6.0	6.0	0
Air Quality Compliance Manager	3.0	3.0	0
Air Quality Field Assistant	12.5	12.5	0
Air Quality Inspector I/II	44.0	43.0	-1.0
Air Quality Specialist I/II	3.0	4.0	1.0
Director of Compliance	1.0	1.0	0
Office Assistant I/II	1.0	1.0	0
Senior Air Quality Inspector	10.0	10.0	0
Senior Air Quality Specialist	1.0	1.0	0
Senior Office Assistant	1.0	1.0	0
Supervising Air Quality Inspector	8.0	8.0	0
Supervising Air Quality Specialist	1.0	1.0	0
<b>TOTAL</b>	<b><u>91.5</u></b>	<b><u>91.5</u></b>	<b><u>0</u></b>

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**Compliance**

	Adjusted* FY 25-26	Recommended FY 26-27	Budget/Budget	
			Increase (Decrease)	%
<b>OPERATING APPROPRIATIONS</b>				
<b>SALARIES AND BENEFITS</b>				
Regular Salaries	\$8,369,657	\$8,867,981	\$498,324	6%
Temporary Help	\$457,468	\$479,963	\$22,495	5%
On Call Pay	\$133,677	\$141,072	\$7,395	6%
Overtime	\$134,344	\$117,028	(\$17,316)	(13%)
Unemployment	\$19,011	\$20,936	\$1,925	10%
Retirement	\$4,082,890	\$3,995,691	(\$87,199)	(2%)
OASDI	\$160,383	\$169,049	\$8,666	5%
Workers Compensation	\$180,422	\$163,089	(\$17,333)	(10%)
Cafeteria Plan Benefits	\$1,090,898	\$1,127,032	\$36,134	3%
Long-Term Disability Insurance	\$22,540	\$23,705	\$1,165	5%
Alternate Transportation Incentive	\$72,540	\$71,760	(\$780)	(1%)
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$14,723,830</b>	<b>\$15,177,306</b>	<b>\$453,476</b>	<b>3%</b>
<b>SERVICES AND SUPPLIES</b>				
Safety Supplies & Equipment	\$21,730	\$21,740	\$10	-
Mobile Communications	\$56,702	\$57,187	\$485	1%
Telephone Charges	\$15,569	\$15,693	\$124	1%
Insurance	\$274,356	\$296,530	\$22,174	8%
Equipment Maintenance	\$80,146	\$77,113	(\$3,033)	(4%)
Vehicle Maintenance & Operations	\$185,900	\$166,200	(\$19,700)	(11%)
Computer Maintenance	\$320,092	\$377,881	\$57,789	18%
Video Conferencing Maintenance & Operations	-	-	-	-
Building Maintenance & Operations	\$92,781	\$84,600	(\$8,181)	(9%)
Office Supplies	\$10,388	\$7,272	(\$3,116)	(30%)
Computer Software & Supplies	\$59,928	\$64,600	\$4,672	8%
Monitoring Station Supplies & Equipment	-	-	-	-
Postage	\$13,000	\$19,300	\$6,300	48%
Printing	\$21,279	\$21,356	\$77	-
Professional & Specialized Services	\$75,463	\$83,776	\$8,313	11%
Publications & Legal Notices	\$5,000	\$5,000	-	-
Rents & Leases	\$3,574	\$7,887	\$4,313	121%
Small Tools & Equipment	\$13,777	\$14,033	\$256	2%
Special District Expense	\$22,041	\$26,005	\$3,964	18%
Travel & Training	\$61,290	\$58,620	(\$2,670)	(4%)
Travel & Training - Boards	\$27,363	\$27,347	(\$16)	-
Utilities	\$133,524	\$133,466	(\$58)	-
Audit Services	-	-	-	-
Legal Services	-	-	-	-
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$1,493,903</b>	<b>\$1,565,606</b>	<b>\$71,703</b>	<b>5%</b>
<b>FIXED ASSETS</b>				
Office Improvements	\$12,222	\$11,882	(\$340)	(3%)
Facilities & Equipment	\$173,315	\$30,715	(\$142,600)	(82%)
Computer Equipment	\$127,074	\$124,580	(\$2,494)	(2%)
Office Furniture / Equipment	\$8,733	\$8,650	(\$83)	(1%)
Office Machines	\$2,398	\$3,011	\$613	26%
Telephone Systems	\$2,464	\$2,680	\$216	9%
Detection Equipment	\$75,500	\$167,000	\$91,500	121%
Automobiles	\$407,000	\$150,000	(\$257,000)	(63%)
<b>TOTAL FIXED ASSETS</b>	<b>\$808,706</b>	<b>\$498,518</b>	<b>(\$310,188)</b>	<b>(38%)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$17,026,439</b>	<b>\$17,241,430</b>	<b>\$214,991</b>	<b>1%</b>

\* Adjusted Budget as of 4/16/2026

## PERMIT SERVICES

### FISCAL SUMMARY

	Budgeted 2025-26	Recommended 2026-27	Increase/ (Decrease)	
<u>Appropriations</u>				
Salaries and Benefits	14,798,783	15,472,774	673,991	5%
Services and Supplies	961,183	1,058,891	97,708	10%
Fixed Assets	250,962	159,285	(91,677)	-37%
Total	16,010,928	16,690,950	680,022	4%

<u>Position Summary</u>	86	86	
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### FUNCTIONS

As mandated by state and federal law, the District is charged with the primary responsibility for the permitting of stationary sources of air contaminants. To fulfill this responsibility and other related duties, the District's Permit Services Department performs the following major functions:

#### Authorities to Construct and Permits to Operate

Before stationary sources of air pollution may construct or operate in the San Joaquin Valley, the appropriate air quality permits must be obtained. The permitting process involves two steps. The first step requires the applicant to submit project-specific information for evaluation in order for an Authority to Construct (ATC) permit to be issued. This process is critical because construction of new facilities or equipment, or modifications of existing equipment, may not legally commence until the ATC is issued by the District. District, state, and federal regulations require the best possible pollution controls and mitigation for new and modified sources of air pollution. The second step, issuing the Permit to Operate, occurs after the applicant has installed the equipment as specified in the ATC and has demonstrated that the equipment complies with all applicable District rules and regulations. In addition to issuing new permits, the District conducts periodic renewals of existing Permits to Operate to ensure continued compliance with District rules and other applicable requirements.

Applicants are aided in these steps through the following measures and resources:

- The District's Certification of Air Permitting Professionals (CAPP) program,
- The District's small business assistance offices,
- Close coordination with various economic development organizations throughout the Valley,
- Outreach to city and county building and planning agencies throughout the Valley,
- Access to the PAS Portal, which is an online database with pertinent permitting

- information available to facility personnel at a facility-specific level,
- Public access to the web-based Public Permits Information Portal to search and view finalized ATCs and PTOs with several filtering options,
- Continuous efforts by District staff and management to implement efficiency gains, and
- On-going cooperative permit streamlining efforts with regulated industries.

This past calendar year the Permit Services Department processed 1,139 ATC permitting projects for new and modified stationary source equipment and operations. In the new fiscal year, the District expects to complete approximately 1,425 ATC projects, which accounts for the baseline number of applications received and finalized, as well as continued implementation of backlog reduction plans.

### **Federally Mandated Operating Permits (Title V)**

Consistent with federal requirements, there are currently 226 sources in the Valley that are operating under federal Title V permits issued by the District. Title V does not impose any new emission standards or any new controls on emissions. However, Title V permits prescribe numerous detailed monitoring, recordkeeping, and reporting requirements for permits, and require significantly increased administrative steps that must be met when issuing, renewing, or revising permits. In general, these latter requirements expand public and Environmental Protection Agency (EPA) participation in the permitting process for the largest emitters of air contaminants in the District. The District's workload in this area continues to be significant. This past calendar year, the District issued initial and renewal Title V permits for 46 facilities, and processed 110 Title V permit modification projects. In the next fiscal year, the District expects to process 63 Title V initial and renewal projects.

### **Emission Reduction Credits**

The District administers an Emission Reduction Credit (ERC) banking program; the purpose is to allow sources to store credits for voluntary emission reductions for later use as offsets where required by District, state, and federal rules and regulations. This mechanism also allows sources to transfer emission reduction credits to other sources for use as offsets. The administration of deposits, transfers, and withdrawals from the bank is accomplished through the filing of a banking application. When processing ERC banking applications, the District ensures reductions are real, permanent, quantifiable, surplus, and enforceable as mandated by local, state, and federal regulations. This past calendar year, the District processed 47 ERC-related projects, including ERC banking, transfers, withdrawals, and surplus reviews. In the next fiscal year, the District expects to process 46 ERC-related projects.

### **District's BACT Clearinghouse**

Best Available Control Technology (BACT) is a key requirement of the District's New and Modified Stationary Source Review rule, which is applicable to new or modified stationary sources. The process for determining BACT for each new project involves complex technical and cost-effectiveness analyses. To assist applicants in selecting appropriate control technology for new and modified sources and to guide staff in conducting the necessary analysis, the District maintains and updates a comprehensive BACT Clearinghouse.

The BACT Clearinghouse helps to expedite the permitting process by minimizing the need for lengthy project-specific BACT determinations. It also aids new project proponents in designing new or expanding facilities by outlining air pollution control requirements early in the process.

The District has initiated an effort to update and improve this valuable permit-expediting tool. In the next fiscal year, the District plans to continue updating BACT guidelines in the District's BACT Clearinghouse, and will submit these determinations to the state and federal BACT databases, as well.

### **Air Toxics Program**

State and federal laws mandate a number of requirements aimed at reducing emissions of, and the risk associated with, hazardous and/or toxic air contaminants. Under state mandates, the District is required to enforce emissions standards established by Air Toxics Control Measures (ATCMs). Additionally, the state's Air Toxics Hot Spots Act requires the District to systematically inventory emissions of toxic air contaminants, assess the potential health risks to the public caused by toxic air emissions, notify the public of these potential health risks, and reduce the facility's risk to a level below significant. In 1990, amendments to the Federal Clean Air Act Title III, required EPA to promulgate regulations, called Maximum Achievable Control Technology (MACT) standards, for controlling toxic air contaminants. The District must implement all delegated point-source MACT standards that apply to facilities within its jurisdiction. The District's air toxics program integrates state and federal air toxics mandates and is designed to provide for cost effective implementation without duplication.

As an additional part of its integrated air toxics program, the District assesses the health risk associated with proposed increases in air toxic emissions through a Risk Management Review (RMR) process during permit processing to avoid the creation of new health risks. The District only approves permitting proposals that do not constitute a significant health risk. This past year the District processed 677 RMRs.

The District's risk evaluation processes implement the health risk assessment methodologies established by the state's Office of Environmental Health and Hazard Assessment (OEHHA). The District's health risk assessment processes for Valley stationary sources implement the state's methodologies to provide enhanced protection of children, and the public overall, while maintaining the public right-to-know about air toxics risk in their neighborhoods. In addition to the RMRs performed under our new and modified source permitting program, the OEHHA guidance also affects how we analyze risk due to air toxics from existing sources under the AB 2588 Air Toxic Hot Spots program. The District has finalized the AB 2588 assessments for more than 7,900 facilities. In the coming year, the District will continue efforts to implement the revised guidelines for performing Health Risk Assessments in both the permitting and AB 2588 programs.

### **Ambient Air Quality Analyses**

As part of the District's new and modified source permitting program, the District evaluates the potential impact of proposed projects on National Ambient Air Quality Standards (NAAQS) and California Ambient Air Quality Standards (CAAQS). These evaluations are conducted in accordance with District Policy APR 1925 (Policy for District Rule 2201 Ambient Air Quality Analysis Modeling) and the U.S. Environmental Protection Agency's Guideline on Air Quality Models (Appendix W of 40 CFR Part 51).

The District applies a progressive, tiered modeling approach that begins with conservative screening analyses and proceeds to more refined dispersion modeling, as necessary, using project-specific emissions data, meteorological information, background concentrations, and

other required technical inputs. This process ensures that proposed projects do not cause or contribute to violations of state or federal ambient air quality standards.

### **Emissions Inventory**

The District maintains an annual criteria and air toxics pollutant inventory of emissions from stationary sources. The emissions inventory system contains data from two types of sources. One type is the Point Source inventory for which emissions data is maintained for specific permitted equipment. The other type is the Area Source inventory, which is made up of smaller sources that are grouped together and evaluated and reported by source category. The process includes the gathering of data from facilities and other information sources, calculating emissions, reporting the emissions to the California Air Resources Board (CARB), and associated quality assurance work.

This past year, the District processed more than 7,600 emissions inventory statements and survey responses. The District continues to combine the emissions inventory program with other emissions information gathering efforts, such as those required under the state's Criteria and Toxics Reporting (CTR) regulation and District Rule 3171. This combined effort contributes to significantly reduce and streamline the workload and paperwork requested from regulated sources. In the coming year, the District will continue to prepare and update facility criteria and toxics inventories, including additional facilities that are now required to provide inventory under the state's CTR.

### **Portable Equipment Registration**

The District implements a portable equipment registration program that allows operators within the Valley to register equipment whose primary functions require it to be moved on a routine basis. Operators submit registration applications that are closely reviewed and discussed with the operator to ensure that the manner in which the equipment will be used is appropriate for portable equipment registration. This past year the District processed 25 portable-equipment registration projects.

### **Permit-Exempt Equipment Registration**

The District has developed and implemented an innovative Permit-Exempt Equipment Registration (PEER) rule, designed to minimize the overall workload required to achieve the emission reductions expected of permit-exempt equipment through streamlined registration processes that fit well with the typically smaller and lower-emitting equipment to which it applies. This past year the District processed 64 PEER projects.

### **Wood Burning Heater and Fireplace Device Registration**

Further reducing residential wood smoke emissions is a high priority under the District's Health Risk Reduction Strategy given the significant localized health impacts associated with residential wood smoke. Scientific studies show that prolonged inhalation of wood smoke contributes to lung disease, pulmonary arterial hypertension, and pulmonary heart disease, which can eventually lead to heart failure. Rule 4901 is designed to improve public health by reducing toxic wood smoke emissions in the Valley's neighborhoods during the peak PM2.5 winter season.

Rule 4901 offers Valley residents two options for registering their EPA-certified wood burning device. The first option is through the District's Burn Cleaner incentive program, where they can pay a nominal fee and provide needed information to register the device online, without an

inspection. The other option is they can contact a Registered Wood Burning Heater Professional (RWBHP) to inspect their device and register it if it is EPA-certified and in good operating condition. To ensure RWBHPs are qualified, the District has implemented a registration program requiring applicants to demonstrate necessary certifications or job experience. Upon completing training and signing a contract, RWBHPs are added to the District's publicly accessible list on the District's website. District staff then review and process registrations, review RWBHP applications, train RWBHPs, and oversee contract drafting.

### **Conservation Management Practice Plans**

The District, with strong coordination and cooperation with the Valley's agricultural representatives, implemented an innovative, nation-leading Conservation Management Practices (CMP) plan program. CMP plans are designed to decrease dust emissions from agricultural operations on farms, dairies, and other confined animal operations. This past year the District processed 369 CMP plans.

### **Employer Based Trip Reduction**

District Rule 9410 (Employer Based Trip Reduction), was adopted by the District's Governing board in December 2009. The purpose of Rule 9410 is to reduce vehicle miles traveled from private vehicles used by employees to commute to and from their worksites in order to reduce NOx, VOC and PM10 emissions. The District assists employers with the registration process, including providing training to employers in the implementation of successful Employer Based Trip Reduction measures. In addition to this, the District provides technical assistance and support to employers subject to the Rule by responding to inquiries and offering guidance on compliance requirements. The District also receives and reviews annual reports submitted that are required to be performed and submitted by subject employers.

### **Public Records Requests**

Pursuant to the California Public Records Act (Government Code section 7920.000 et seq.), the District responds to requests from the public for access to records related to the conduct of public's business, unless such records are exempt from disclosure by law. Public records include writings prepared, owned, used, or retained by the District, regardless of physical form or characteristics.

District staff collect, review, and provide responsive records to requestors, as appropriate. Example of such records include permitting documents, technical analyses, and emissions data. This process requires careful review to ensure timely public access while protecting confidential and legally exempt information. Responding to Public Records Requests represents an ongoing workload that supports transparency and public engagement.

### **Small Business Assistance (SBA)**

The District operates an effective Small Business Assistance program to provide assistance to businesses that lack the resources or the expertise needed to complete the process to obtain air permits. District SBA staff are available at each of the District's regional offices or by calling the District's toll-free SBA telephone number. District SBA staff provide expert advice on technology options, application processes, and other air issues. The District's three SBA offices typically respond to more than 13,000 requests for assistance per year.

## **SIGNIFICANT IMPACTS TO 2026-27 BUDGET**

The increasing workload associated with the duties performed by the District's Permit Services Department, as discussed below, is expected to be accommodated by available staff resources due to the District's continued focus on streamlining and efficiency improvements in all areas.

Consistent with the District Core Values of ingenuity and innovation and continuous improvement, additional streamlining measures will continue to further enhance the already excellent District level of performance in terms of efficiency and customer service.

### **Significant Workload**

#### ***Rule Compliance Authority to Construct (ATC) Projects***

In the next fiscal year, the District will continue to process the additional permitting workload due to rule compliance projects. In order to continue processing this new workload as efficiently as possible, the District continues to develop/enhance specific supplemental application forms, emission control plan forms, and streamlined engineering evaluation templates so these permits can be issued in a timely manner.

#### ***Updates to the District's Best Available Control Technology (BACT) Clearinghouse***

The District maintains a clearinghouse of BACT guidelines to streamline BACT determinations associated with issuing ATCs for new and modified equipment. Many of the District's BACT guidelines are currently being updated to reflect the most current BACT requirements and to further streamline the ATC application processing time. The District plans on continuing this effort and on updating 24 BACT guidelines in the new fiscal year. This effort will also complement the District's work under AB 617 to submit BACT determinations to the statewide control technology clearinghouse discussed above.

#### ***Emissions Inventory under the State's CTR Regulation***

An emission inventory is an estimation of the amount of emissions discharged into the atmosphere that can be broken down by specified source categories in a certain geographical area and within a specified time span (e.g., in a calendar year). The District's point source inventory is required each year for certain facilities pursuant to:

- District Rule 1160: Emissions statements
- The State's Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation
- District Rule 3171: Federally Mandated Ozone Nonattainment Fee - 1997 8-Hour Standard
- District Rule 4320: Advanced Emission Reduction Options for Boilers
- District Rule 4702: Internal Combustion Engines

A significant increase in workload for point source emissions inventory for the next Fiscal Year is due to the phase-in schedule in the CTR regulation, which will require nearly 8,000 permitted facilities to report their criteria and toxic emissions under the CTR, some of which were previously exempt from reporting under state regulation until recently. Along with the increase in facilities required to submit inventory, the CTR requires additional data to be collected and evaluated by the District. In order to process, track, and report this new

information, the District continues to enhance its emission inventory procedures, inventory software (HEARTs), the online emissions inventory portal, and related inventory survey forms.

### ***Area-Wide Emissions Inventory***

Area-wide inventory, which covers non-point source and non-mobile sources, is an important part of the State Implementation Plan, and therefore necessary to update on an ongoing basis. The area-wide emissions inventory program is requiring additional work as well. Area-wide emissions can take up to several months to develop the methodologies to collect and review the information, all while working with cities, counties, or other public entities as necessary. For the next Fiscal Year, the area-wide categories to update include: wind-blown dust, agricultural harvest operations, residential and industrial natural gas combustion, military and commercial aircraft, commercial deep-frying, commercial mobile cooking, agricultural burning, gasoline dispensing, urban fires, and several other categories.

### ***Planning and Rule Development Support***

Over the years, the District has supported the maintenance and updating of valley-wide emissions inventories used in the ozone and particulate matter State Implementation Planning (SIP) processes and has provided technical support when evaluating rules and control measures to ensure those strategies meet Best Available Retrofit Control Technology (BARCT) and Most Stringent Measures (MSM) requirements. In the new fiscal year, the District plans to amend several rules associated with adopted attainment plans and evaluate potential control strategies that may be used as contingency measures, as well as provide technical support for the development of a Metal Shredding Facility Fence Line Monitoring rule. As part of these processes, the Permit Services Department will continue to provide resources and its extensive knowledge of control technologies and emissions inventory. Additionally, rules related to Air Toxics, such as *Rule 7011 – Chromium Plating and Chromic Acid Anodizing Facilities*, may undergo revision to stay current with statewide regulations and requirements. The workload necessary to support the rule development and control measure evaluations in the upcoming fiscal year is projected to increase from approximately 2,900 hours to 3,700.

### ***Rule Amendment Projects (District Rules 1020, 2020, 4001, and 4002)***

In the upcoming fiscal year, the District is proposing to amend a number of District rules to address EPA comments on federal approvability issues (Rules 1020 and 2020), and to update the list of federal New Source Performance Standard (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAPS) regulations listed in the District's rules. These rule development processes will require a detailed analysis of the proposed amendments and a determination of the potential impacts to affected industries. The Permit Services Department will engage in a public process, including hosting workshops to solicit comments on draft rule language, prior to taking any rule to the Governing Board.

### ***Implementing Rule 3171***

The District will continue to implement a program to collect the mandatory federal ozone nonattainment fees required by Section 185 of the Clean Air Act for the 1997 8-hour ozone standard. The required fee collection program will be implemented via Rule 3171, and will require:

- Implementation of a system to collect Section 185 fees from major stationary sources

with permit units that do not meet the requirements of a “Clean Emissions Unit”, which includes work to:

- Identify and track permits at major stationary sources that are subject to the fee requirements,
- Implement controls to ensure the list of subject permits is updated and correct to ensure accurate fee collection,
- Integrate this system with the District’s Emissions Inventory system to calculate the required fees every year,
- Integrate this system with the District’s Finance system to automate and streamline the invoicing process, and
- Implement a fee tracking and reporting system to verify that this overall program meets the Section 185 fee obligation.

### ***Implementing AB 617***

In the next fiscal year, the District will be continuing the implementation of state law AB 617, the Community Air Protection Program. As part of this effort, the District’s Permit Services Department will:

- Develop specialized emission inventories and emission reporting systems for facilities in AB 617 communities and those subject to the state’s Criteria and Toxics Reporting (CTR) regulation,
- Provide significant support to the District Strategies and Incentives Department to amend several District rules pursuant to AB 617 BARCT rule review requirements and to implement stationary source control measures contained in the District’s PM2.5 plan,
- Actively participate in the state’s compilation of the required emissions control technology clearinghouse for criteria and toxic emissions, and
- Actively participate in the associated public process (public outreach, meetings, workgroups, local community meetings, etc.).

### ***Providing Support to Other Agencies and Stakeholders***

District staff will continue to provide support and information to the California Department of Resource Recycling and Recovery, and to the California Department of Food and Agriculture, to address issues related to diverting organic waste from landfills to new composting operations and increasing the use of waste digesters at dairies. These types of projects have the potential to significantly increase emissions within the Valley, and the District must ensure that the resulting emission increases are avoided to the extent possible, or otherwise minimized and mitigated.

District staff will continue to provide assistance to other air districts, as well as various California Air Pollution Control Officer Association (CAPCOA) subcommittees that address statewide issues in permitting and air toxics. The efforts include leading the workgroup tasked with creating the autobody shop AB 2588 guidelines, participating in the composting and air curtain incinerator (ACI) workgroups, providing input on the implementation of CARB’s Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation and revised Air Toxics Hot Spots Guidelines, leading the state’s uniform emissions inventory workgroups for electric generation facilities and oil and gas facilities, leading the state’s health risk assessment

training regimen by creating and making available on-demand training videos for CARB's risk assessment software (HARP 2), participating in CAPCOA subcommittees for air toxics emission factors, , and the CAPCOA group tasked with responding to CARB's *Roadmap to Address Air Toxics*.

***Emission Reduction Credit Banking Program / Offset Equivalency Demonstration***

The District will continue to evaluate, enhance and implement updates to District Rule 2201 (New Source Review) and Rule 2301 (Emission Reduction Credit) to maintain an effective permitting system that protects public health and allows for strong economic growth in the Valley. The District is also developing additional improvements in the District's Permit Administration System (PAS) for processing and tracking projects related to the District's offset equivalency demonstration.

***AB 2588 Air Toxics "Hot Spots" Information and Assessment Act***

OEHHA's revised guidance has also been incorporated into the District's implementation of the AB 2588 Hot Spots Program. Since the calculated health risk under the new methodologies is higher than previous estimates for the same level of exposure to toxic air contaminant emissions, facilities that were subject to the AB 2588 Air Toxics "Hot Spots" program are being reassessed, along with newly permitted facilities that are subject to AB 2588. Under this act, facilities are required to prepare Toxic Emission Inventory Plans and Reports to develop site-specific inventories of air emissions from toxic substances. Plans provide an outline and methodology for calculating toxic emissions for all permitted and non-permitted stationary sources operated at the facility. This is reviewed and approved by the District prior to emission quantification. Reports include calculations of the facility's toxic emissions using site-specific process rates and emission factors in order to perform a "Prioritization" of the facility's air toxic emissions.

Recent amendments were made to the CARB's Emission Inventory Criteria and Guidelines Regulation (EICGR) and approved by the Office of Administrative Law. CARB amended the EICGR to collect more comprehensive emission data across the state. The primary amendments to the EICGR include:

- Updated reporting requirements for diesel engines
- Added factors in determining facility exemptions, reinstatements, and updated reporting provisions
- Increased the number of reportable substances in Appendix A from approximately 700 to over 1,700 substances
- Established a phase-in schedule for evaluating newly added substances, consistent with the CTR Regulation's emissions inventory schedule
- Added new source test requirements for certain source types

The District has reassessed more than 7,900 facilities under AB 2588, and the assessment of facilities under this Right-to-Know Act will continue to drive a steady workload for Technical Services in the coming year and for several years to come. The District will continue to: (1) evaluate facilities due to the aforementioned changes to the state's regulations and guidelines, (2) evaluate facilities remaining in the program that are required to provide updates on an ongoing basis, and (3) evaluate new sectors of source that have not been reassessed to date,

such as auto body shops, dairies, and other agricultural facilities. In implementing these new state requirements, many additional facilities will require an AB 2588 assessment.

Meanwhile, the District is following the quadrennial emissions update process and performing refined health risk assessments for a smaller subset of facilities as prescribed in AB 2588. The number of facilities subject to quadrennial reporting is continually increasing each year, as more facilities are initially assessed under AB 2588. Due to this, more than 1,700 facilities will be subject to reassessment on quadrennial cycles. The District will continue to benefit from previously implemented streamlining and efficiency measures that were put into place in previous years.

### ***Conservation Management Practices Plans***

The District's Rule 4550 (Conservation Management Practices) is designed to limit fugitive dust emissions from agricultural operation sites within the Valley. Consistent with attainment plan commitments, the rule is expected to be amended and in the upcoming year potentially resulting in additional workload in future years.

### ***Employer Based Trip Reduction***

The District's Rule 9410 (Employer Based Trip Reduction) is designed to reduce vehicle miles traveled from private vehicles used by employees to commute to and from their worksites. In the new fiscal year, it is expected there will be an increase in the submittal of annual reports, due to enhanced outreach and web-based tools.

## **EFFICIENCY AND CUSTOMER SERVICE**

In order to effectively and efficiently handle an increasing workload, and in the interest of developing the best and most economical programs possible, the District must and will continue its streamlining efforts.

The District's efforts to implement streamlined methodologies have significantly reduced the workload associated with all permitting activities, and the District has demonstrated the ability to continue to identify and implement new and innovative ways to improve efficiency. As a result, the District processes more permits per person than any other air district in California, without sacrificing the quality or health-protective nature of the permit evaluation process. In addition to continuing efforts in this area, the following specific streamlining efforts are to be undertaken in the new fiscal year.

### ***ATC Processing***

Over the years, the District has implemented many permit application streamlining measures designed to increase efficiency mostly through the development of templates, guidance documents, and various forms of automation. In the next fiscal year, Permit Services will continue to find new and innovative ways to improve efficiency, such as developing and modifying supplemental application forms and application review templates for ongoing rule compliance projects and to address amendments to the District's NSR rule. Key updates in the next fiscal year will include the revisions to two important department policies: APR-1010 (ATC Permitting Application Review Format) and APR-1015 (ERC Banking Application Review Format). These updates will result in improved consistency and efficiency when processing ATC permitting and ERC banking projects.

These streamlined supplemental application forms, emission control plan forms, and engineering evaluation templates are specifically tailored to the equipment covered by each rule. Many of these rule compliance projects are complex, with additional complications at major sources. As a result of the continued implementation of these streamlining measures, the District will continue to see reduced staff processing time.

As part of the ATC workflow, the District conducts a Risk Management Review (RMR) to evaluate potential health risks. To enhance efficiency, Permits is planning to further streamline key modeling steps by leveraging Geographic Information System (GIS) software. This approach will allow for the automated identification of rural and urban areas, and identify the most accurate MET sites to use in an evaluation based on EPA's methodology. Additionally, GIS tools will be developed to assist with the Ambient Air Quality Analysis (AAQA) portion of the ATC project, by identifying which monitoring sites to select for an analysis and provide the background data. These efforts will improve the efficiency of the RMR process while also increasing the accuracy of the data used in the analysis.

### ***Emissions Inventory***

In the new fiscal year, the District will experience an increased workload due to the State's Criteria and Toxics Reporting (CTR) regulation that was recently amended. The District has already implemented numerous measures intended to streamline emissions inventory processes. Previous efforts will be fully realized in the coming year, along with new initiatives, are as follows:

- The District will continue to utilize a web-based emissions inventory portal in which facility operators may submit annual inventory-related activity and process information. This electronic submittal system provides additional customer service, enhances facilities' own efficiencies, and improves the District's efficiency and overall performance. The inventory portal will continue to be updated to include additional interactive online forms and other features identified and proposed by stakeholders and staff; and
- Added new programming to Permit Application System (PAS), which ensures accurate and efficient tracking of CTR applicability and reporting year by facility. To categorize each facility, Technical Services built a CTR database that analyzed thousands of records of data to label every facility in PAS according to their CTR applicability and phase-in schedule; and
- The District's emission inventory database (HEARTs) was updated to include additional data fields required by the CTR; and
- Facility inventory data surveys were updated to request relevant information under the CTR; and
- To accommodate the additional inventory-related information, new staff-interface data entry forms have been created to streamline the data inputs. Further streamlining tools are in the works, such as a streamlined dairy emissions calculation method and process. The new interface enhances accuracy and quality due to automation; and
- The HEARTs update also included additional programming quality assurance measures, such as locking forms until required fields have been updated and linking more data to PAS to streamline review; and
- GIS software is now used to assist with location data for permitted sources, streamlining

- the data collection process; and
- The process for logging emission inventory projects will be automated to reduce the amount of clerical time spent logging these projects.

### ***AB 2588 Air Toxics “Hot Spots” Information and Assessment Act***

The District has already implemented numerous measures intended to streamline air toxics-related risk assessment processes. Additional efforts in the new fiscal year will further streamline the assessment of District permitted facilities under the Air Toxics Hot Spots program. Previous efforts to be fully realized in the coming year, and new efforts, are as follows:

- Continued integrating the District’s Air Toxics databases, by updating the emissions inventory database (HEARTs) to have the ability to prioritize a facility under AB 2588 in a more streamlined fashion, which previously required the use of a secondary database,
- Enhance the Emissions Inventory (EI) online portal by updating it with the ability to collect AB 2588 Update Summary forms along with EI submittals, creating a seamless submittal process, further integrating the EI and the AB 2588 programs,
- Develop additional improvements in the District’s Permit Administration System (PAS) for processing facility plans, reports, and prioritizations, and ensuring that a facility’s Hot Spots status will be readily available,
- Continue utilization of an online survey for AB 2588 applicability determinations as the state’s regulations and guidelines change,
- Develop a facility-specific emissions inventory-related questionnaire that automatically pulls facility data from the District’s PAS program to identify required information when working with applicants,
- Implement improved tracking of toxic fee code changes to streamline invoicing and coordination with CARB on pass-through fees,
- Continue utilization of a streamlining tool for “diesel engine only” facilities to automatically prioritize and calculate screening health risk with minimal staff time spent,
- Further develop the District’s PAS program to include the AB 2588 letters for streamlined access by staff,
- Create additional facility-specific Toxic Emission Inventory Plan (Plan) templates to ensure consistency amongst similar facility types and to streamline staff time on Plans for similar facility types,
- The District is taking the lead on writing the auto body industry-wide AB 2588 guidance document for the CAPCOA/TARMAC workgroup, which will streamline the assessment of these facilities, and Coordinating with CARB to program a HARP 2 Auto Body Shop Risk Screening Tool,
- Create a health risk assessment (HRA) template to identify to facilities the expectations of a complete HRA and the information required to be presented,
- Create technical guidance documents to assist staff and stakeholders with complex modeling and risk assessment scenarios such as the application of variable emissions and worker adjustment factors,
- Integrated a programmatic approach to addressing changes in toxic weighted emissions on a facility-by-facility basis year over year and then using that data to determine whether or not an AB 2588 reassessment is required,
- Continue to use the CARB-approved screening risk assessment tool to be used for

gasoline dispensing facilities to automatically prioritize and calculate screening health risk with minimal staff time spent.

- Developing enhancements to PAS to facilitate enhanced AB 2588 project tracking and streamlined reporting to CARB.

After factoring these efficiency measures, the workload due to the implementation of the Toxics Hot Spots program plan is expected to be stable compared to last year. In the future, as the District processes and reassesses permitted facilities, District staff will look to continue to identify and develop new streamlining measures necessary to minimize the significant impact of the workload associated with the Hot Spots program.

### ***PASPort Web-based Facility Portal***

The District continues to develop the PASPort web-based facility portal. In 2014, the District released PASPort, and made it available to all regulated facilities with the goal of providing quick, easy, “around the clock” access to a facility’s own permit information and related documents. Through PASPort, approved users from each facility can track the progress of permit applications, and view and download the facility’s permits, applications, and related correspondence at any time. New features continue to be added to expand PASPort’s capabilities, such as the ability to submit ATC applications and several types of compliance reports electronically, view billing information, view PEER registrations and Conservation Management Plans, and include user management features to allow a facility PASPort administrator to manage the access of other users.

The industry response to PASPort continues to be overwhelmingly positive, with nearly 2,900 facilities participating, to date. The PASPort system has been updated to allow facilities to pay bills online, directly from the PASPort system. In the future, PASPort will continue to be updated to include interactive online application forms and other features identified and proposed by stakeholders and staff.

### ***Public Permits Information Portal***

Consistent with the District’s core value of conducting business through open and transparent public processes that provide meaningful opportunities for public input and are responsive to all public inquiries, the District published its Public Permits Information Portal. While the District currently provides extensive information online to the public, the District has continued to increase public accessibility of District programs and information through enhanced public outreach and expanded online availability of information on District programs.

On January 1, 2023, the District launched a web-based Public Permits Information Portal. The portal provides the public with the ability to view and download finalized Authority to Construct permits and active Permits to Operate. Use of the portal has steadily increased since its launch and has supported more than 112,000 permit searches. The portal is supported by AB 1749 (Cristina Garcia 2022), which requires air districts with a population of at least one million persons to make stationary source permits available online. In addition, the District’s portal complements the District’s Public Records Act program by streamlining public access to permits.

### ***ETRIP***

In the new fiscal year, the District plans to further enhance web-based eTRIP-related tools and resources, including launching a newly enhanced eTRIP web portal that will allow worksites to register and submit their eTRIP plans and annual reports electronically. Additionally, it will allow worksites to view and/or update their eTRIP information at any time. This will provide a “one stop shop” for worksites to submit and/or modify eTRIP plans and annual reports, but will also reduce District staff time logging in project information, as this will be automated.

### ***Title V Permit Processing***

Similar to the efforts put forth in ATC permit processing, the District has implemented many Title V streamlining measures over the years to increase efficiency. Most recently, the District has further streamlined the processing of Title V Minor Modification applications by leveraging the ATC application review that precedes most Title V minor modification applications. This streamlining effort, which removes unnecessary steps, has already shown a great reduction in Title V minor modification application processing time since implemented, and is expected to continue to streamline this process.

Over the years, District staff has also developed new tools and templates designed to streamline the Title V permit renewal process. These efforts have resulted in significant productivity gains by decreasing the time necessary to process Title V permit renewals in the past. The efficiency gains in this area will greatly contribute to minimizing additional hours needed to process significantly more Title V renewal applications projected for the new fiscal year, without sacrificing the quality and effectiveness of the final products.

Furthermore, the District has developed templates for addressing compliance with new and newly amended District and Federal air quality regulations (such as multiple, new overlapping Federal regulations for landfills), which has increased consistency, quality, and expediency for future Title V renewal projects.

### ***Rule 3171 - Federally Mandated Ozone Nonattainment Fee - 1997 8-Hour Standard***

The District will implement a CAA Section 185 fee program for Rule 3171 into the PAS database and will implement programmatic enhancements to:

- Identify and track permits at major stationary sources that are subject to the fee requirements,
- Implement controls to ensure the list of subject permits is updated and correct to ensure accurate fee collection,
- Integrate this system with the District’s Emissions Inventory system to calculate the required fees every year,
- Integrate this system with the District’s Finance system to automate and streamline the invoicing process.

### ***Staff Development and Job Knowledge***

The District’s Permits Department recognizes the importance of developing Engineering and Technical Services staff, given the unique and specialized nature of our work. To ensure staff are well-equipped with the necessary expertise, Permits will utilize the knowledge of more experienced staff to create comprehensive training resources and training plans for staff

development. One of the approaches in this effort is the utilization of Target Solutions, a highly effective software platform designed to manage and develop staff training materials. The District has also partnered with industry/agricultural stakeholders to provide hands-on trainings by hosting site visits and giving presentations to groups of engineers. By implementing these approaches, the department aims to enhance staff proficiency and maintain a high standard of technical expertise. Additionally, we are committed to continuing to standardize processes through the development of new policies, guidance, and templates. These initiatives collectively strengthen the Department's ability to maintain high-quality and standardized permitting procedures.

### ***Other Streamlining and Efficiency Actions***

The District will also continue to work closely with stakeholders in efforts to find further gains in efficiency and productivity. District staff meet regularly with a permit stakeholder group that is comprised of industry representatives and other interested parties to get their ideas and input on a wide variety of issues related to reducing the time and work associated with implementing the District's programs. The District's goal is to streamline processes to reduce the resource needs for both the District and the regulated sources to implement air quality mandates, while maintaining the highest levels of quality in the District's work product.

In addition, the following are just a few other streamlining measures that the District has implemented and some that are currently under development:

- Developed paperless workflow systems to maximize efficiency in processing permit applications,
- Continued to work cooperatively with the Compliance Department to identify ways to improve service to permit holders,
- Trained staff to more accurately record time spent on various activities to allow management to better track staff time, with the goal of finding additional streamlining opportunities,
- Continued effort to further cross-train staff thus further improve staff knowledge and the District capacity to better respond to new workload,
- Develop new tools and guidance designed to help staff quickly provide final plan and rule development products,
- Developed supplemental application forms and application review templates for upcoming rule compliance projects,
- Developed major enhancements to the ATC permitting and ERC Banking application review guidance documents to assist staff in properly evaluating these types of applications,
- Developing new and enhanced database features related offset equivalency tracking,
- Developed an automated emissions inventory non-confidential report (auto-redacted) to streamline public records requests for inventory-related information,
- Updated the content of various permits-related webpages, including the applications, air toxics, air quality modeling, and emissions inventory, to make information more accessible to stakeholders and the public. This included the development and posting on our external webpage, a new MET site and Monitoring site GIS Tool that assists users in selecting accurate site locations and data for modeling projects.

Through the ongoing comprehensive implementation of the District's Service Teamwork Attitude Respect (STAR) program, and consistent with the District's Core Values, the District is continuously improving program quality, effectiveness, and efficiency by implementing internally generated process improvement suggestions from those most familiar with the processes – District staff. The department will continue to realize and build upon the streamlining benefits achieved through STAR suggestions.

**SUMMARY OF POSITIONS**

<u>Title</u>	<u>2025/2026</u>	<u>2026/2027 Recommended</u>	<u>Increase/ Decrease</u>
Air Quality Assistant	1.0	1.0	0
Air Quality Engineer I/II	36.0	36.0	0
Air Quality Specialist I/II	16.0	16.0	0
Director of Permit Services	1.0	1.0	0
Office Assistant I/II	3.0	3.0	0
Permit Services Manager	3.0	3.0	0
Program Manager	1.0	1.0	0
Senior Air Quality Engineer	12.0	12.0	0
Senior Air Quality Specialist	4.0	4.0	0
Senior Office Assistant	1.0	1.0	0
Supervising Air Quality Engineer	5.0	5.0	0
Supervising Air Quality Specialist	3.0	3.0	0
<b>TOTAL</b>	<b><u>86.0</u></b>	<b><u>86.0</u></b>	<b><u>0</u></b>

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**Permit Services**

	Adjusted* FY 25-26	Recommended FY 26-27	Budget/Budget	
			Increase (Decrease)	%
<b>OPERATING APPROPRIATIONS</b>				
<b>SALARIES AND BENEFITS</b>				
Regular Salaries	\$9,043,771	\$9,726,453	\$682,682	8%
Temporary Help	-	-	-	-
On Call Pay	-	-	-	-
Overtime	\$129,489	\$112,871	(\$16,618)	(13%)
Unemployment	\$16,473	\$18,124	\$1,651	10%
Retirement	\$4,334,310	\$4,303,144	(\$31,166)	(1%)
OASDI	\$135,445	\$145,006	\$9,561	7%
Workers Compensation	\$67,857	\$64,899	(\$2,958)	(4%)
Cafeteria Plan Benefits	\$980,977	\$1,010,284	\$29,307	3%
Long-Term Disability Insurance	\$22,601	\$24,133	\$1,532	7%
Alternate Transportation Incentive	\$67,860	\$67,860	-	-
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$14,798,783</b>	<b>\$15,472,774</b>	<b>\$673,991</b>	<b>5%</b>
<b>SERVICES AND SUPPLIES</b>				
Safety Supplies & Equipment	-	-	-	-
Mobile Communications	\$7,558	\$8,064	\$506	7%
Telephone Charges	\$14,474	\$14,748	\$274	2%
Insurance	\$255,076	\$278,706	\$23,630	9%
Equipment Maintenance	\$36,178	\$37,293	\$1,115	3%
Vehicle Maintenance & Operations	-	-	-	-
Computer Maintenance	\$274,094	\$331,477	\$57,383	21%
Video Conferencing Maintenance & Operations	-	-	-	-
Building Maintenance & Operations	\$86,258	\$79,514	(\$6,744)	(8%)
Office Supplies	\$9,658	\$6,834	(\$2,824)	(29%)
Computer Software & Supplies	\$54,908	\$59,898	\$4,990	9%
Monitoring Station Supplies & Equipment	-	-	-	-
Postage	\$22,000	\$28,400	\$6,400	29%
Printing	\$10,996	\$11,190	\$194	2%
Professional & Specialized Services	\$22,926	\$24,788	\$1,862	8%
Publications & Legal Notices	\$20,343	\$20,343	-	-
Rents & Leases	\$5,699	\$12,577	\$6,878	121%
Small Tools & Equipment	\$8,476	\$8,621	\$145	2%
Special District Expense	\$5,244	\$5,426	\$182	3%
Travel & Training	\$13,567	\$13,567	-	-
Travel & Training - Boards	-	-	-	-
Utilities	\$113,728	\$117,445	\$3,717	3%
Audit Services	-	-	-	-
Legal Services	-	-	-	-
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$961,183</b>	<b>\$1,058,891</b>	<b>\$97,708</b>	<b>10%</b>
<b>FIXED ASSETS</b>				
Office Improvements	\$20,031	\$11,167	(\$8,864)	(44%)
Facilities & Equipment	\$101,807	\$20,374	(\$81,433)	(80%)
Computer Equipment	\$116,486	\$114,269	(\$2,217)	(2%)
Office Furniture / Equipment	\$8,119	\$8,129	\$10	-
Office Machines	\$2,229	\$2,830	\$601	27%
Telephone Systems	\$2,290	\$2,516	\$226	10%
<b>TOTAL FIXED ASSETS</b>	<b>\$250,962</b>	<b>\$159,285</b>	<b>(\$91,677)</b>	<b>(37%)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$16,010,928</b>	<b>\$16,690,950</b>	<b>\$680,022</b>	<b>4%</b>

\* Adjusted Budget as of 4/16/2026

## STRATEGIES AND INCENTIVES

### FISCAL SUMMARY

	Budgeted 2025-26	Recommended 2026-27	Increase/ (Decrease)	
<u>Appropriations</u>				
Salaries and Benefits	18,788,030	18,113,331	(674,699)	-4%
Services and Supplies	3,057,310	2,703,125	(354,185)	-12%
Fixed Assets	1,483,357	879,891	(603,466)	-41%
Total	23,328,697	21,696,347	(1,632,350)	-7%

<u>Position Summary</u>	105	105
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### FUNCTIONS

The San Joaquin Valley Air Basin is designated as nonattainment for state and federal air quality standards for ozone and fine particulate matter (PM2.5). To attain the state and federal air quality standards by the legislated deadlines, the federal Clean Air Act and the California Clean Air Act require the District to develop attainment plans, adopt rules and regulations, and implement other programs to reduce emissions. New, rigorous federal standards for ozone and PM2.5 require an improved understanding of the atmospheric processes involved in pollutant formation, and will require new plans and innovative control measures to reach attainment. Additionally, the District's Governing Board has adopted policy direction that prioritizes employing air quality strategies that maximize health benefits, in addition to meeting federal air quality standards.

While the reductions in emissions being achieved through regulatory control measures are improving Valley air quality, attainment with stringent federal health-based air quality standards cannot be achieved by regulations on stationary sources alone. The District's voluntary incentive grant programs complement regulatory control measures by providing much needed reductions from other source types, including motor vehicles, which the District has little or no direct authority to regulate. District incentive programs have a positive impact on air quality and are also highly successful due to the fact that participation is voluntary and the emission reductions are both highly cost-effective and surplus to the reductions required by the control measures. Recent audits conducted by the California Air Resources Board (CARB) and the Department of Finance (DOF)

confirmed that the District's programs are fiscally sound and are "efficiently and effectively achieving their emission reduction objective."

### **Air Quality Science and Planning Programs**

District staff within the Air Quality Science and Planning programs conduct a number of key and foundational tasks within the District. The foundation of this program is air monitoring data, which is collected through the expansive air monitoring network in the Valley, requiring ongoing equipment maintenance, calibration, repair, and data validation. Close analysis of this data is used in various public facing programs, including air quality forecasting, agricultural burning, prescribed burning, EPA's AirNow system, and the Real-time Air Advisory Network (RAAN) system. This analysis leads to air quality modeling and planning tasks, which are focused on preparing attainment plans to meet various federal air quality standards, often leading to the need to develop and implement rules and regulations to achieve additional emissions reductions, ultimately leading the Valley to improved air quality and public health.

#### ***Air Quality Plan Development***

The District prepares long-range plans to attain and maintain state and federal air quality standards for ozone and particulate matter. In developing air quality plans, District staff members work closely with CARB staff, the agency responsible for the control of mobile source emissions; staff of the United States Environmental Protection Agency (EPA); members of non-governmental organizations; and representatives of sectors that will be affected by the controls listed in the plans. These plans and the associated progress reports and supporting documents must meet all legal requirements, and must account for the needs of Valley citizens and industry. Developing air quality plans requires analyzing measured air quality and emission inventories, conducting atmospheric modeling, developing emission control strategies, and coordinating efforts with Valley transportation planning agencies, stakeholders, CARB, and EPA. The District develops its air quality plans in an open public process with numerous public meetings, and the plans are then presented to the Governing Board for adoption. After Governing Board adoption, the District submits its air quality plans to CARB, who in turn approves and transmits the plans to EPA for incorporation into the State Implementation Plan (SIP). Federal planning requirements also include "Mid-Course Review," "Rate of Progress", and "Reasonable Further Progress" plans for ozone and particulate matter, and "Milestone Compliance Demonstration" reports for ozone to assure that the District and partnering agencies continue to reduce emissions as specified in the federal Clean Air Act.

Even after attainment plans are adopted by the Governing Board, District staff allocate the resources needed to fully implement the adopted strategies, responding to requests from CARB and EPA for supporting plan information, and preparing retrospective progress reports. Additionally, when EPA revises ambient air quality standards in response to federal Clean Air Act requirements, they set new attainment targets and plan submittal deadlines. Litigation against EPA over new air quality standards has historically caused significant delays and uncertainty in how the District was expected to

plan for the new standards. Finally, when an area attains a federal air quality standard, the area must prepare and submit Maintenance Plans, which are designed to assure the area continues to stay in attainment. At times, the District also needs to defend Clean Data Determinations that formally recognize that the area has demonstrated attainment with an applicable standard.

### ***Rulemaking and Emission Control Strategy Development***

The District develops new rules and rule amendments to achieve emission reductions pursuant to its air quality attainment plans. For decades, the District has adopted multiple generations of rules reducing emissions from the Valley's stationary sources, such as boilers, steam generators, internal combustion engines, and flares. In recent years, the District has also drafted rules addressing indirect sources (mobile sources from new development), wood-burning fireplaces and heating devices, and employee vehicle trips. In developing new rules, District staff implements the Governing Board-approved Rule Development Procedures, and complies with the California Environmental Quality Act (CEQA) and other state laws regarding public hearings and economic analysis. During the development of each rule, staff works closely with CARB and EPA to satisfy state and federal requirements, and solicits stakeholder comments at public workshops. Additionally, staff collaborates closely with affected businesses to gain a better understanding of regulatory economic impacts. As appropriate, staff develops industry-wide cost estimates and provides this data to an economic consultant, who in turn prepares a regional economic impact analysis. As a result of the time needed for the full public review process and extensive analysis, major rule development projects may take more than one year to complete in order to produce rules that meet the District's air quality goals while providing cost-effective compliance options for affected businesses.

District staff is also responsible for the implementation of other innovative strategies adopted by the Governing Board, such as the Fast Track program and Health Risk Reduction Strategy. The Fast Track program established a non-regulatory approach to reducing emissions and expediting attainment of federal standards through a variety of innovative pollution control measures, such as the establishment of green contracting/procurement guidance, public funding for incentive grant programs, energy efficiency/conservation, and Healthy Air Living. In light of the latest air quality science and health research, the District's Health Risk Reduction Strategy established a policy position emphasizing the prioritization of strategies providing for maximum health benefits. In 2017, as a supplement to the District's attainment strategy, the Governing Board adopted the Community-Level Targeted Strategy to pursue regulatory or incentive-based control measures focused on pollution sources that do not necessarily advance attainment of the federal standards but improve localized air quality by reducing emissions from source categories that can cause periodic short-term localized concern. Additionally, attainment plans often include Further Study Measures, which are aimed at identifying and pursuing emission reduction technologies and practices as they become technologically and economically feasible into the future.

### ***Air Quality Modeling and Monitoring Data Analysis***

Air quality modeling uses highly complex computer programs, sophisticated computer hardware, and large databases to predict ambient pollution concentrations given future emission inventory and meteorological scenarios. These models bring together the science of emissions generation, meteorological transport, and atmospheric photochemistry in a “computerized laboratory” that can mathematically simulate pollutant concentrations and atmospheric conditions in the San Joaquin Valley. Many of the inputs and algorithms in these models were derived from the ground-breaking and cutting-edge research performed through the San Joaquin Valleywide Air Pollution Study Agency.

In a general context, air quality modeling activities are fundamental to understanding the San Joaquin Valley’s complex air quality problems. The District collaborates extensively with modelers from CARB, industry, academia, and other air districts on air quality research and modeling projects. In particular, the District has worked extensively with CARB on air quality analysis and modeling in support of attainment planning efforts. This collaboration will continue as the District moves forward with implementing its various emissions control strategies and future air quality plans over the next several years.

In the context of the District’s air quality plans, modeling is necessary to provide estimates for the quantities of emission reductions necessary to attain the federal air quality standards. These models are also highly valuable for estimating the contribution of ozone and PM precursor emissions from outside the District. In the past, CARB conducted all SIP-related modeling for the District’s air quality plans which required the District to rely solely on CARB for all modeling needs including acceptance of the results of the model runs. The continued utilization of the District’s Air Quality Modeling Center will allow the District to conduct air quality modeling in addition to what is being conducted by CARB and evaluate potential strategies as the District continues to prepare the next PM2.5 attainment plans.

District staff also assures that the overall design of the San Joaquin Valley’s air monitoring network complies with state and federal regulations and prepares the Annual Air Monitoring Network Plan for submission to EPA, which includes technical analysis and documentation for any requested monitoring network modifications. Staff also develops Requests for Proposal and contracts for the replacement of existing or construction of new air monitoring stations when needed. Additionally, staff is responsible for the on-going quality assurance and certification of data collected from the District’s air monitoring stations, and the submission of the data to EPA’s nationwide air quality database.

### ***Air Quality Forecasting and Analysis***

District staff provides a variety of air quality forecasting services, including providing daily Air Quality Index (AQI) forecasts, daily reporting of observed air quality levels, health advisory notifications, declarations for the episodic curtailment provisions of Rule 4901 (Wood Burning Fireplaces and Wood Burning Heaters), and allowances in support

of the Smoke Management Program for agricultural and prescribed burns. Each day, District staff analyzes forecasted weather conditions using state-of-the-art tools, such as National Weather Service meteorology models and District-customized meso-scale weather and statistical air quality prediction models. The District's Smoke Management Program is designed to minimize impacts of smoke on public health while addressing the open burn needs of agricultural operators and land managers. Staff continuously works on improvements of the forecasting tools used to support the burn allocation program and other forecast-dependent programs. Implementation of the mandatory residential wood burning curtailment provisions in Rule 4901 and the Smoke Management Program have raised the importance of accurate and timely air quality forecasts.

District staff also works closely with Land Management Agencies (LMA) who wish to perform prescribed burning projects, by evaluating smoke management plans and issuing smoke dispersion forecasts along with declarations of when LMAs will be allowed to conduct their fuel reduction projects. The District places a strong emphasis on finding windows of time with good dispersion so that a maximum amount of prescribed burning can happen each year, in an effort to reduce fuel and minimize the probability and strength of wildfires in the future. When wildfires do occur, District staff also closely monitor the progress and impact of these incidents on the Valley's air quality, and work hard to provide timely public notifications of when wildfire smoke may impact the health of Valley residents.

In addition to forecasts, District staff also conducts extensive analysis of air quality data generated from the District's network of air quality monitoring stations in support of planning efforts and to provide timely, accurate information to the public regarding air quality progress. Staff dedicates significant effort towards forecasting, measuring, and analyzing the weather conditions and emissions sources that cause sporadic, high concentrations of particulate matter and ozone concentrations. With adequate meteorological justification, pollution exceedances that can be attributed to unusual or overwhelming weather or wildfires can be classified as Exceptional Events, and be excluded from consideration as violations of a national ambient air quality standard. When this occurs, District staff prepares thorough examinations of the causes of these Exceptional Events, solicits public review, and submits the documentation to EPA. Under these circumstances, the District provides notifications to Valley residents so that sensitive individuals, in particular, can take precautions to minimize exposure.

### **Air Monitoring**

The District operates a comprehensive ambient air monitoring network for criteria air pollutants in each of the eight counties of the Valley. This federally-approved network is operated in collaboration with CARB, and is utilized to meet federal Clean Air Act requirements, provide timely air quality information to the public, and to support a number of District programs. The equipment operates continuously and must be maintained to meet very strict state and federal criteria.

The data gathered from the District's air monitoring stations is reviewed for quality and completeness by District staff and then transmitted to EPA. Air quality data is used to determine the District's progress toward achieving state and federal air quality standards, which is used to assess the benefits of control strategies, and to document air quality trends over long periods of time. Real-time air monitoring data is also used in daily air quality forecasts and Smoke Management Program forecasts and approvals.

Pollutants monitored include ozone, PM<sub>2.5</sub> and PM<sub>10</sub>, nitrogen oxides, hydrocarbons, and carbon monoxide. In addition to routine monitoring, the District operates a network of five Photochemical Assessment Monitoring Stations (PAMS) focused on capturing volatile organic compounds (VOCs), which is an important precursor to the formation of ozone. Lastly, the majority of these stations include meteorology equipment that measure a number of important atmospheric parameters.

The District currently has equipment at 24 stations located throughout the eight counties, comprised of numerous gas analyzers, particulate samplers, meteorological sensors, and PAMS sampling units. Most of this equipment runs continuously, must be calibrated, and must be maintained to meet strict requirements. Many of the stations have been in place for a significant amount of time, and ongoing repairs are necessary to support new instruments and to ensure a proper environment for the sensitive equipment.

### **Incentive Grant Programs**

District staff is responsible for the development, implementation, and on-going administration of a variety of incentive grant programs, including the Heavy-Duty Engine Program, Burn Cleaner Program, Drive Clean in the San Joaquin Program, Public Benefit Grants Program, FARMER Program, AB 617 Community Air Protection Program, and other incentive programs. District staff is serving as the statewide administrator of the school and transit portion of the Volkswagen Mitigation Trust Settlement fund. Additionally, staff is responsible for the ongoing administration of the District's Cap and Trade Action Plan, Smoking Vehicle Program, and other non-regulatory control strategies. Timeliness in the evaluation of grant applications and payment of claims is imperative to allow the District to obtain much needed emission reductions. Applicants expect quick turnaround times on their completed applications in order to install the new reduced-emission technologies in a timely manner. Failure to expend funds within specified time frames may result in the loss and return of unused funds.

#### ***Heavy-Duty Engine Program***

The Heavy-Duty Engine Program is the District's largest and most successful incentive program. The Heavy-Duty Engine Program accepts applications for a wide variety of engines that power vehicles or equipment. Heavy-duty trucks, buses, and off-road engines are significant sources of nitrogen oxides (NO<sub>x</sub>), particulate matter (PM) and reactive organic gases (ROG) emissions within the San Joaquin Valley. Although the District does not have the authority to regulate vehicle tailpipe emissions, it can provide

monetary incentives to reduce emissions from these sources. The program provides funding for equipment replacements, engine repowers, or retrofits that are cost-effective in reducing emissions. Emission reductions are obtained when the project applicant purchases vehicles and engines that are cleaner than required by regulatory emission standards or installs an emission certified retrofit device on an existing engine. Funded project types include, but are not limited to, on-road vehicles (heavy duty trucks, school buses, etc.), locomotives, off-road vehicles and equipment (construction, agricultural tractors, etc.), agricultural irrigation pump engines, forklifts, and engine idle reduction technology. During the first eight months of 2025-26, the District obligated over \$155.8 million in incentive funds through its various heavy-duty programs for over 2,000 engines/vehicles, and paid out over \$151 million in grant claims.

### ***Fireplace and Woodstove Change-Out Program***

The Fireplace and Woodstove Change-Out Program is a critical part of the strategy to address the effects of residential wood burning. The Fireplace and Woodstove Change-Out Program provides Valley residents with incentives to replace their old high-polluting devices, or modify their existing open hearths, with new, cleaner burning devices, electric, or gas burning alternatives. Recent enhancements to the program, including increased incentive amounts, have resulted in steady participation by Valley residents during the most recent winter season. During the first eight months of 2025-26, the District has issued over 1,350 vouchers for more than \$4.9 million.

### ***Truck Replacement Program***

The Governing Board authorized the creation of the District's Truck Voucher Program in 2012. This program was created to ensure that Valley truck fleets had opportunities to replace their older, high-polluting trucks well in advance of the Statewide Truck and Bus Regulation deadlines. The program is primarily focused on providing funding for truck replacements for small businesses that do not generally qualify for funding under the Proposition 1B or other programs. District verification of all information submitted, as well as physical inspections of new and old vehicles, help ensure that the integrity of the program is maintained throughout the process. In March of 2018, the Governing Board approved enhancements to the Truck Voucher Program to incorporate requirements of new state funding and ensure cost-effectiveness and SIP creditability of the resulting emission reductions. In addition, the District added new funding options to encourage Valley fleets to adopt zero and near-zero emission truck technology. The enhancements approved by the Board included rebranding the program under one name, simply the Truck Replacement Program, in order to be more intuitive and inclusive of all District truck programs. During the first eight months of 2025-26, the District obligated over \$8.0 million in incentive funds through its heavy-duty truck replacement programs for over 65 engines/vehicles, and paid out over \$4.1 million in grant claims.

### ***Drive Clean in the San Joaquin***

Through a variety of programs, the District encourages Valley residents to choose advanced, clean vehicles such as plug-in electric, plug-in hybrids, and conventional hybrids. By providing rebates for the purchase or lease of these cleaner options, the

District can assist Valley residents in making a direct positive impact on air quality and public health. The rebate provided by the District can be combined with the rebate provided through the state's Clean Vehicle Rebate Project which results in the most attractive savings statewide. During the first eight months of 2025-26, the District has provided more than 2,200 rebates for over \$4.3 million. In addition to this rebate program for new vehicles, the District offers a variety of incentives to encourage the early retirement of the highest polluting light-duty vehicles by encouraging the scrapping or repair of these vehicles. The State Bureau of Automotive Repair (BAR) currently has a statewide program that encourages the early retirement of vehicles that fail their smog check. The District's Tune In Tune Up program, runs in partnership with Valley Clean Air Now, has reached out to Valley residents who otherwise may not be able to afford costly emissions-related vehicle repairs. Through weekend events, participating residents could have their vehicles screened to determine if they qualified for emissions-related repairs at little to no cost to them. Funding from the Air Resources Board through the Enhanced Fleet Modernization Program (EFMP) and EFMP Plus Up has allowed the Drive Clean in the San Joaquin program to provide incentives for the replacement of old high polluting vehicles with newer, cleaner, and more fuel efficient models. The vehicles repaired and replaced through the Drive Clean in the San Joaquin program provide direct emissions benefits in low-income disadvantaged communities located throughout the Valley.

### ***Agricultural Equipment Replacement Program***

The Agricultural Equipment Replacement Program funds the replacement of various types of older agricultural equipment with the latest generation certified equipment. District staff evaluates all applications for eligibility and emissions benefits and performs extensive monitoring to verify emissions reductions. This program has seen extensive interest and is one of the primary incentive programs operated by the District. During the first eight months of 2025-26, the District obligated over \$67 million in incentive funds through its heavy-duty agricultural equipment replacement programs for over 680 engines/vehicles, and paid out over \$68 million in grant claims.

### ***Low Dust Nut Harvesters Replacement Program***

The District developed and implemented an incentive program to deploy and further evaluate low-dust harvesting technology on a broad scale in the San Joaquin Valley. The new program replaces older nut harvesting equipment with newer, low-dust nut harvesting equipment in a variety of applications throughout the Valley and will monitor its effectiveness in reducing particulate matter. During the first eight months of 2025-26, the District obligated over \$11 million in incentive funds through its heavy-duty Low Dust Nut Harvester Replacement programs for 41 vehicles, and paid out over \$14 million in grant claims.

### ***Alternative to Ag Burn Program***

The District's rules restricting agricultural burning along with a comprehensive Smoke Management System have significantly reduced the amount of burning that is permissible as well as limiting the number of days when burning may be allowed. In an effort to provide Valley growers with viable alternatives to open burning, the District

launched the Alternatives to Open Burning of Agricultural Materials Program. The program provides incentives to farmers to chip, shred, or mulch woody agricultural waste materials from orchard and vineyard removals as an alternative to the open burning of these materials. In the first eight months of 2025-26, the District has issued 992 vouchers for more than \$30 million in incentive funds.

### ***Dairy Feed Mixer Electrification Program***

The District implemented an incentive program to provide funding for the purchase of electric dairy feed mixer equipment. This technology was successfully demonstrated under our Technology Advancement Program and is now commercially available. This program provides incentives for the purchase of electric feed mixing technology that replaces diesel-powered equipment used in dairy operations with significant associated emissions reductions. Each application is evaluated against the specific criteria developed as part of this program. To date, 21 projects have been implemented and 1 more is under contract for a total of \$32.1 million.

### ***Zero Emission Agricultural Utility Terrain Vehicle Program***

The District developed a Zero Emission Agricultural Utility Terrain Vehicle (Ag UTV) Program. This program, funded through the state's Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) program, provides incentives to replace older, higher polluting gasoline or diesel powered Utility Terrain Vehicles (UTVs) used in agriculture operations with new, zero-emission UTVs. This program was launched by the District in October 2018 and was immediately well-received by the agricultural community. For the first 8 months of FY 2025-26 the District has provided more than \$2.9 million, to replace more than 220 units and paid out more than 195 claims for over \$2.5 million.

### ***Charge-Up Program***

The District launched the Charge Up Program on June 1, 2015, to not only support the investment made by many Valley residents who have already purchased advanced clean vehicles, but to also ensure the growth and ongoing viability of the technology in the region by looking to continuously expand the infrastructure. The program provides funding for Valley public agencies and businesses to purchase and install publicly accessible electric vehicle chargers. During the first eight months of 2025-26, the District issued vouchers for \$525,000 for 78 chargers at 15 separate charging sites and paid out 25 claims totaling \$940,000.

### ***Proposition 1B – Goods Movement Emission Reduction Program***

An important component of the Heavy-Duty Engine Program is the Goods Movement Emission Reduction Program, funded through Proposition 1B. This funding is allocated for reducing emissions from heavy duty diesel trucks operating in the Valley, locomotives, and transport refrigeration units. This program requires a competitive application solicitation process. Emissions from every application submitted to the District for funding must be calculated and ranked by cost-effectiveness. Each eligible piece of equipment is then funded in order of cost-effectiveness until program funds are exhausted. There are also substantial monitoring, auditing, and reporting requirements

associated with these funds. At this time, a new solicitation for electric Transport Refrigeration Units (e-TRU) is open and accepting applications for replacement projects.

### ***Public Benefit Grants Program***

The Public Benefit Grant Program provides funding to Valley cities, counties, and other public agencies for a wide variety of clean-air public-benefit projects that provide benefits to Valley residents. Eligible applicants are cities, counties, special districts (i.e. water districts, irrigation districts, etc.) and public educational institutions (i.e. school districts, community colleges, state universities, etc.) located within the geographic area of the District. During the first eight months of 2025-26, the District contracted over \$4.9 million in incentive funds through the Public Benefit Grants program.

### ***Residential Lawn Mower Replacement Program***

The District has run a highly successful residential lawn mower replacement program for a number of years. The program is designed to operate as a rebate program and provides incentives for the replacement of old, high polluting gas powered lawnmowers with electric mowers. As a condition of receiving a rebate, this program requires verification that an old lawn mower has been destroyed. During the 2019-2020 fiscal year, additional options for purchasing new equipment without destroying old equipment have been implemented, as well as expanded equipment options. During the first eight months of 2025-26, the District has provided more than 2,830 rebates for over \$662,000.

### ***Commercial Lawn Mower Replacement Program***

The District's Clean Green Yard Machine Commercial Voucher Incentive Program provides incentives for the replacement of landscape maintenance equipment to lawn care providers, such as public agencies and private entities in the San Joaquin Valley. The program operates as a voucher program and requires the applicant to destroy an older, high-polluting piece of equipment and purchase a zero-emission unit. During the first 8 months of 2025-26, the District has funded 977 vouchers for more than \$2.88 million.

### ***Clean Air Rooms Residential Air Filtration Program***

The Clean Air Rooms Program provides off-the-shelf residential air filtration devices to eligible Valley residents living within identified Disadvantaged Communities. The program is designed to create "clean air rooms", such as a bedroom; which will ensure that the home has a dedicated space with safe indoor air quality during smoke events at no out-of-pocket expense to the resident. During the first eight months of 2025-26, the District has provided more than 1,900 filtration devices for over \$374,000.

### ***Zero-Emissions Technology Demonstration Projects***

Supporting the advancement of clean technology is a necessary strategy in improving the air quality for the San Joaquin Valley. For years, the District has provided funding through its incentive programs to help Valley residents and businesses make long-term investments in such technology. In addition to these efforts, the District has developed

partnerships with regional stakeholders and technology manufacturers to actively compete for state and federal funds that further the deployment and demonstrate the viability of clean, zero- and near-zero emissions technology in a variety of applications throughout the Valley. The District is currently implementing several innovative projects and anticipates that they will help the Valley move towards advanced clean technology. These projects include transit electrification, commercial and parcel electric delivery vehicles, car sharing, ride sourcing, and electric vanpool options. These projects provide a real world demonstration of advanced technology with the ultimate goal of widespread adoption of zero and near-zero emission technologies where feasible.

### ***Vehicle Miles Travelled (VMT) Reduction Program***

The VMT Reduction Program provides incentives for projects that reduce vehicle miles travelled and motor vehicle emissions within the District, one of the largest sources of emissions not under the direct regulatory authority of the District. All projects must have a direct air quality benefit to the District, and includes high-polluting vehicle scrappage, E-mobility (video telecommunications), bicycle infrastructure, alternative fuel vehicle mechanics training, and public transportation subsidies.

### ***Technology Advancement Program***

The District created the Technology Advancement Program (TAP) in late 2010 to encourage the development of advanced new emission reduction technologies in the Valley. The program provides funding for clean air technology advancement projects in several focus areas. In total, the District's Governing Board has approved 35 of the proposed projects for total funding of over \$12 million, with successful demonstrations of zero emissions yard trucks, electric composting, ultra-low NOx biogas engines, and other technologies.

### ***Smoking Vehicle Program***

The District also administers the Smoking Vehicle Program; a voluntary compliance program intended to inform drivers that their vehicle has been witnessed emitting excessive smoke and pollutants. Anonymous reports are received by the District's Smoking Vehicle telephone hotline, website, or through regular mail. Owners of the reported smoking vehicles are contacted via letter informing them that their vehicles were seen emitting excessive smoke, along with information on ways they could repair their vehicles.

## **SIGNIFICANT CHANGES TO 2026-27 BUDGET**

As detailed in the next section, the District anticipates significant workload in the planning, air monitoring, and incentive program functions, including the need to develop and adopt rules to fulfill federal mandates and District commitments, and administration of additional incentive grant funding projects. This workload is expected to be accommodated with existing staff by continuing to implement streamlining and efficiency improvements in all areas.

***Rulemaking, Emission Control Strategy Development and Air Quality Analysis***

In 2026-27, a significant amount of work will be required to continue to implement the District's *2022 Ozone Plan* and *2024 PM2.5 Plan*, and develop the new emission control measures laid out in these plans. Key areas of focus for rule development include conservation management practices, residential wood burning, and ongoing contingency measure strategies for both PM2.5 and ozone. Development of new rules will involve extensive public engagement and working closely with affected entities to devise innovative and creative measures that effectively reduce emissions in a cost-effective fashion. Additionally, the District will continue its work to design and implement the SIP-creditable incentive-based measures included in the 2018 PM2.5 Plan and 2024 PM2.5 Plan.

In addition, as the Valley has already demonstrated attainment of the federal PM10 standard, the District needs to develop a second maintenance plan for this standard, demonstrating the Valley's ongoing compliance with this standard. In addition, with the Valley now meeting the 1997 24-hour and annual PM2.5 standards, a maintenance plan for this standard will also need to be developed in the coming year, supporting the Valley's formal redesignation to attainment for these standards.

To assist in the preparation of attainment plans for ever-tightening federal standards, the District will continue to focus on full utilization of the state of the art Air Quality Modeling Center at the District. The expanded capabilities of the modeling center will continue to provide extensive computer resources that will allow the District to conduct complex air quality modeling. These models are critical to understanding the Valley's complex air quality and evaluating potential strategies as the District implements its various emissions control strategies and prepares additional attainment plans in the coming years. Significant staff resources will be required to continue the in-house capacity necessary to fully utilize the resources available through the modeling center as the District prepares the next attainment planning efforts.

Modeling staff will continue to focus their efforts in the coming year on ensuring that the current modeling center hardware and software are optimized for performance and fully operational. Staff will also continue to complete ongoing training to increase modeling skills and capabilities, and will conduct modeling of various potential scenarios to assist with the development of control strategies for the upcoming attainment plans.

The District continues its tradition of relying on sound science in formulating effective air quality management strategies. Consistent with this commitment, and in support of the District's Health Risk Reduction strategies aimed at maximizing and prioritizing public health benefits, the District anticipates providing review and support to university and other research groups to support research studies in a number of important areas, including: understanding the impacts of the implementation of SMGA and potential measures to reduce dust from fallowed lands, understanding changing PM2.5 source apportionment through the implementation of air quality strategies, evaluating the effectiveness of the Valley's criteria pollutant and air toxics reduction strategies, evaluating the effectiveness of the Valley's community-level air quality improvement

strategies, assessing public health benefits from the air quality strategies implemented in the Valley, developing new alternatives to agricultural open burning, evaluating heavy-duty truck emissions impacts to Valley air quality, studying the nexus between climate change and air quality, evaluating the air quality and public health impacts from wildfires in the region, and testing the effectiveness of the latest low-dust nut harvesting technology in reducing dust emissions and supporting pilot projects demonstrating air pollution control technologies at Valley restaurants.

The Recommended Budget contains adequate staffing and financial resources to administer the District's Technology Advancement Program. Under this program the District provides funding and support for projects that promote the development and advancement of new low-emissions technologies through Valley-based demonstrations. Using existing and new incentive funding sources, this program provides opportunities for technology developers and entrepreneurs to work with the District to secure funding to demonstrate new low-emissions technologies that work effectively in the San Joaquin Valley. The Technology Advancement Program also enables the District to create public-private partnerships to advance low-emissions technologies to build and expand local capacity for research and development in the San Joaquin Valley.

The District anticipates tracking and documenting Exceptional Events in 2026-27 as wildfire impacts on the Valley's air quality continue to be common. These projects require a significant amount of data gathering, analysis, and modeling of meteorological and emissions parameters during recent wildfire and windblown dust pollution episodes, in order to demonstrate conclusively that the events were beyond the scope of the District's comprehensive, stringent control strategies. Focused analysis and analytical tool development in this area will support the District as it prepares any necessary Maintenance Plans or potential Clean Data Determination demonstrations for ozone and PM2.5 standards within this next year.

In 2026-27, District staff will also assess the status of the current air monitoring network to ensure that it meets federal air monitoring requirements, and identify if any changes to the network are needed based on county population and air quality changes. This work will culminate in the EPA-required 2027 Air Monitoring Network Plan, which is an annual report required by federal EPA that demonstrates the Valley's air monitoring network meets all requirements.

District staff will also conduct ongoing air quality analysis and forecasting duties, and support smoke management programs such as agricultural burning, hazard reduction burning, prescribed burning, and wildfire tracking. Staff regularly compare and analyze air quality trends among locations across the Valley to observe improvements and other changes. District staff are also responsible for coordinating the contracts with the laboratories that analyze the samples collected for the Photochemical Air Monitoring System (PAMS) program.

In addition, with the implementation of AB 617 for the Valley, there will be an extensive amount of ongoing air monitoring data to validate and analyze as community air

monitoring campaigns are continued this next year. The Air Quality Analysis team will support ongoing analysis of this data and assist in preparing technical reports as these campaigns unfold, including source apportionment, support for research projects, and modeling analysis.

### ***New State Mandates under Assembly Bill 617***

In 2026-27, extensive work will be required to continue to implement the Community Air Monitoring Plans (CAMPs) and Community Emissions Reduction Programs (CERPs) for South Central Fresno, Shafter, Stockton, and Arvin/Lamont in consultation with the community steering committees, resulting in emissions reductions and health benefits to the residents of these Valley communities. This will take an extensive amount of additional staff time to manage this engagement process and develop successful strategies with the community members.

Additional AB 617 mandates requires air districts that are in nonattainment for one or more air pollutants to adopt expedited schedules by January 2019 for the implementation of Best Available Retrofit Control Technology (BARCT) for facilities subject to market-based compliance mechanisms under the state Cap and Trade program. To satisfy the applicable mandates, significant support work will be needed through the next fiscal year to support EPA's review of submitted rules recently amended to meet BARCT requirements.

As an essential component of implementing new mandates under AB 617, the District has successfully advocated for resources from the state to cover the District's associated costs discussed above.

### ***Air Monitoring***

A significant amount of workload for the District's air monitoring program is expected during the 2026-27 year as the community air monitoring networks in Shafter, South Central Fresno, Stockton, and Arvin/Lamont continue to be operated. This expanded program area will include the development and deployment of new air monitoring platforms for community monitoring. These various platforms will be designed and deployed for air monitoring campaigns for the Valley communities selected under AB 617, providing critical and timely information to the District for trend analysis and emission reduction plan development, and to residents within each community for their reference. The work to operate, maintain, and repair the deployed air monitoring equipment, and the review and validation of the collected data, will result in a substantial workload in the District's air monitoring operations.

The District will also continue to operate its expansive regulatory air monitoring network throughout the Valley, extending from the Stockton area in the north to the Bakersfield area in the south, spanning over 250 miles. Through the operation of this critical network, air quality data is collected that serves as a foundation for air quality trend analysis to understand improvements and variations, and for planning analysis that charts the future for ongoing progress in the Valley. Ongoing maintenance, repair, and calibration of the equipment is needed to ensure that the data being collected is of the

highest quality and defensible, as it will be needed to demonstrate that the region has attained additional air quality standards. During this next budget year, ongoing upgrades and replacement of equipment will be completed to support the ongoing successful operation of this network.

To comply with the requirements under the recently enacted state Assembly Bill 1647 (Refinery Monitoring), the District has developed rules to govern the establishment of fence-line air monitoring systems at affected petroleum refineries in the Valley, as well as the installation and operation of community air monitoring systems in communities near the affected refineries. While the petroleum refinery facilities will be responsible for the installation and operation of the fence-line systems, during the 2026-27 fiscal year, District staff will continue to operate the community air monitoring systems, as well as maintain tools for the public to view the collected data in real time. With recent amendments to the District's petroleum refinery fence-line air monitoring rules, the District is planning to expand the number of community air monitoring systems to support this growing program area.

In addition, the District's air monitoring staff manage an in-house equipment cache in coordination with CARB to provide mobile and rapidly deployable air monitoring equipment for prescribed burning projects. This effort supports the implementation of SB 901 and SB 1260, which focus on increasing the pace and scale of fuel reduction in forests and providing resources to support the goal of increasing these projects. The District's air monitoring team works closely with land management agencies (LMA) conducting prescribed burning projects to provide air monitoring equipment for their use during fuel reduction projects in the region. District staff also provide technical support to the LMAs for the use of the equipment as needed.

Recent changes implemented by EPA and CARB are resulting in significant increased workload associated with the requirement to update and create numerous policies and procedures relating to the operation and maintenance of the District's air monitoring network. These new and updated policies are intended to ensure greater consistency in the operation of monitoring networks by local districts under CARB's air monitoring umbrella. The District has made progress in developing the required policies and procedures, but will need to continue to develop more documentation as new equipment and processes are implemented in the air monitoring network.

The use of new technologies and efficiencies, such as the expansion of remote connection and automation capabilities, will enable more efficient operation of the air monitoring stations. The number of potential trips that staff will need to make to maintain a station and diagnose small problems with equipment will be significantly reduced. Additionally, the continued use of the new air quality data management system will also save significant staff time as the current labor intensive manual review and validation of air monitoring data will be greatly automated and streamlined, achieving more time savings for the program. These efforts to automate air monitoring tasks and allow remote connection to air monitoring stations are essential to absorb the new workload without corresponding significant increases in program staffing.

The District will also evaluate other network modifications, including potential consolidation of sites. Potential changes will require extensive documentation and staff time.

### ***Incentive Grant Program***

In 2026-27, the District expects to receive an additional \$196 million from a variety of local, state, and federal sources for use in funding voluntary incentive-based emission reduction projects. Additionally, the District will have access to funds received prior to 2026-27 carried forward as a reserved fund balance. These two sources will bring the total incentive funds available to the District in 2026-27 to approximately \$311.7 million.

One of the largest components of the District's Heavy-Duty Engine Program is the agricultural equipment replacement program. This program is targeted at reducing emissions from off-road equipment and provides funding for equipment replacement, engine repowers, and engine retrofits that are cost-effective in reducing emissions. The District has seen a high level of interest from the agricultural sector in this program, and plans on providing significant funds towards these cost-effective projects in 2026-27. These funds will come from a variety of sources, including the state Carl Moyer Program, FARMER Program, AB 617 Community Air Protection Program, federal DERA and Targeted Air Shed programs as well as a variety of locally-generated funding sources. Additionally, there will be significant additional workload associated with numerous opportunities resulting from the Inflation Reduction Act, Bipartisan Infrastructure Law and other new Federal and State actions. This work will include tracking, and participating in the development of these new opportunities, building regional and statewide coalitions and applying for and administering new funding available through these actions. In addition to the significant workload associated with increased outreach and processing of new applications, a substantial workload is also expected for the review and processing of grant claims and payments associated with the extensive funding provided.

In June 2021, your Board adopted and CARB approved the final phase-out strategy for the remaining agricultural open burning in the San Joaquin Valley. This strategy included the near-complete phase-out of open burning by January 1, 2025, and included phase-out schedules that maximize the reduction of tonnage of material burned as early as possible, taking into account feasibility of alternatives for different crop types. The strategy includes the maximum amount of flexibility and the longest time to adjust to the phase-outs for the smallest agricultural operations. Due to the high cost and limited availability of alternatives to agricultural open burning, significant incentives will be required to assist growers with this transition. As such, significant District work will be required to coordinate with CARB, the interested public, and the agricultural community to implement and enforce the final phase-out strategy. This includes extensive outreach to Valley growers regarding available resources for alternative practices as well as the implementation of the District's Ag Burn Alternatives Incentive Program. Accordingly, open burning of agricultural material is expected to significantly decrease in 2026-27.

In August 2021, your Board accepted \$178,200,000 in funding for the District's Alternatives to Agricultural Open Burning Incentive Program and approved several enhancements to the program that included funding to enhance chipping capacity in the Valley. This funding has been exhausted, however, additional state funding for this program has been included in the FY 2026-27 Proposed Budget. This program has been extremely popular and significant workload is expected into the 2026-27 fiscal year.

In October 2018, your Board authorized the District to take a statewide lead role in administering \$130,000,000 in incentive funding from the Volkswagen Mitigation Trust. The District is administering the Transit, School, and Shuttle Bus component that provides funding throughout California. This program requires staff time to develop applications, guidelines and solicitation materials, conduct statewide outreach and administer the \$130,000,000 in incentive funding over the next 10 years. The District began implementation of this program in 2019 with a coordinated statewide outreach effort and development of application materials, guidelines and associated solicitation materials. The District launched this statewide program solicitation in 2019. Administration of this program includes review and processing of grant applications, contracting, contract management, and review and processing of claims for payment, and this work is ongoing. In addition, in 2024, CARB allocated an additional \$30,000,000 to the District to further implement this program on behalf of the State.

The District will continue to implement its robust truck replacement program in 2026-27. Given the substantial funding and increased demand for this program, significant staff time associated with application processing, monitoring, auditing, and reporting will be required.

The Recommended Budget includes \$10.6 million for the Fireplace and Woodstove Change-Out program in 2026-27, with demand from Valley residents and corresponding workload remaining extremely high. Additionally, in 2019-20, the District incorporated changes to the program necessitated by the implementation of the recently adopted Wood Burning Fireplaces and Wood Burning Heaters rule (Rule 4901). Additional work will continue to be required to administer these new requirements and to significantly expand the program outreach and participation.

With continued implementation of the AB 617 program, the District will see a significant ongoing workload related to the implementation of adopted CERPs in South Central Fresno, Shafter, Stockton, and Arvin/Lamont. This will include the development and implementation of a variety of new, community-identified voluntary incentive programs, which will require significant coordination by District staff with CARB and the community steering committees, as well as, ongoing progress tracking and reporting.

In addition to the District's award-winning Tune In, Tune Up repair program, the District implemented a vehicle replacement component program with local Valley funds. Based on the success of the District's vehicle replacement program, the proposed District

Budget includes \$16.98 million in funding for the continued implementation of the Drive Clean in the San Joaquin Program. The program provides higher incentives for residents of disadvantaged communities to purchase advanced technology vehicles including, plug-in hybrids, and battery electric. In 2018, the District launched an online portal that provides Valley residents the opportunity to apply online to retire and replace their old, high emitting vehicle with a newer, cleaner vehicle. In combination with the weekend event process, the direct application method has resulted in a significant increase in the number of vehicles replaced in the District. The District is working closely with CARB on identifying additional funding for this important program.

For the past several years, the District has operated the Drive Clean Rebate Program to provide incentives for the purchase of advanced technology, clean light-duty vehicles. This program is now part of the District's Drive Clean in the San Joaquin Program. More recently, the District has engaged in a planning effort to ensure that the Valley is well positioned and ready to respond to the increasing availability of electric vehicles in the coming years. In addition, to encourage electric vehicle deployment, the District provides incentives for workplace and publicly accessible charging stations through its Charge-Up Program. The expected increase in workload from this program will come from increased participation from the public, a strong outreach component and program implementation activities.

The District continues to enter into Voluntary Emission Reduction Agreements (VERAs) to mitigate the increased emissions from development projects in the Valley. In addition to entering into VERAs aimed at reducing criteria emissions increases, the District has also entered into mitigation agreements with project proponents to mitigate greenhouse gas emissions through incentive programs. Funding from these various agreements will be utilized in the District's incentive programs to fund qualifying emission reduction projects. Additionally, with increased construction in the Valley, the District forecasts receiving additional Indirect Source Review (ISR) revenue. These mitigation programs will impact the District workload with increased application processing, contract administration, grant tracking requirements, and grant payments.

The District's Technology Advancement Program will continue in 2026-27, with over \$1,800,000 in funding for Valley-based technology demonstration projects. Substantial staff time will be required to administer ongoing demonstration projects, solicit and evaluate new project proposals, and execute agreements for new Board-approved demonstration projects.

In addition to the work required to administer the above programs, the District will also spend a significant amount of staff resources to secure additional funding sources by preparing and submitting applications for new funding opportunities and exploring partnership opportunities with other agencies and organizations. Preparing grant applications requires significant staff resources, and several key grant opportunities will likely become available in 2026-27. This will include a significant amount of time spent tracking these opportunities, building coalitions regionally and statewide, and aggressively pursuing funding opportunities with strong applications and proposals.

Additionally, the District will spend a significant amount of staff time securing additional funding through the state as well as federal DERA and Targeted Air Shed programs. As directed by your Board, the District will continue to implement the multi-faceted action plan to ensure that the Valley is well positioned to take full advantage of, and effectively compete for, any funding opportunities that may arise.

It is important to note that many incentive funding sources include provisions for a portion of the funds to be used for their administration. Administrative funds are included in the District's Recommended Budget and are adequate to support the District's incentive grant programs without impacting stationary source fees.

### **Efficiency and Streamlining**

#### ***Plan Development, Rule and Emission Control Strategy Development, and Air Quality Analysis***

In 2026-27, several streamlining initiatives will leverage computer automation and technology improvements to replace tasks currently or previously performed by staff. Automation through the use of information technology is instrumental in a number of initiatives pursued by the District to improve efficiency and quality of work. The continued implementation of the automated air quality data/monitoring system will significantly reduce the amount of staff time required to perform quality assurance/control of air quality data. As staff continue to explore and leverage the capabilities of the air quality data management system for air monitoring operations, even more efficiencies with this system will be achieved this next year.

Forecasting staff have developed and implemented several automated modules in the daily Air Quality Index and burn allocation routines that have significantly reduced the time spent on those tasks. In 2026-27, the District will build off of this recent success and continue to develop additional forecasting tools, including the integration of additional forecasting processes into one system, improving functionality and efficiency.

During 2026-27, the District's air quality forecasting and compliance staff will continue to work with CARB to improve the system that has been developed to issue weather forecasts and approvals for prescribed burn projects in the same system where smoke management plans for burn projects are submitted and approved. Combining these processes into one centralized system has simplified the process for the District and land managers to submit plans and approvals to each other for proposed prescribed burn projects. Additionally, it has streamlined the resources needed to organize and retain the necessary information to operate the prescribed burn program. This new system will continue to be used in 2026-27 to maintain the efficiency gains in this program for the air quality forecasting and compliance staff. District staff will also continue to work with CARB staff to make improvements to the system to make it even more efficient for the processes of both the District and land managers.

The District's robust air quality modeling system, which was approved by your Board several years ago, has been an invaluable resource for the District's modeling analysis efforts. Specifically, the modeling system was heavily utilized during the development of the *2018 PM2.5 Plan*, the *2022 Ozone Plan*, and the *2024 PM2.5 Plan*. Through this modeling work, a significant number of emissions control scenarios were processed and analyzed to assist the District and CARB in forming an effective attainment strategy for the Valley. In this work, having a state-of-the-art modeling system available has allowed the District to efficiently process a high number of attainment strategies, while reducing our dependence on CARB for modeling support. Overall, having this resource available was key to the success of this comprehensive effort. In 2025-26 budget year, the District worked with the recently upgraded hardware associated with the modeling system to ensure that it was optimized and functioning at a high level, and began to realize the benefits of receiving modeling results from the system in a much more efficient manner. In 2026-27, the District will continue to improve the operation of the modeling system, as needed, to ensure that this resource will be used to its full potential over this next year, as it will be used directly to support the development of the strategies for meeting the remaining PM2.5 standards. These improvements will be valuable as the District uses this system to conduct analyses of local air quality for AB 617 communities, and continues its modeling analysis for other upcoming planning and regulatory projects.

To streamline the training of newer staff members, staff will continue utilizing web training seminars (webinars) where more than one person can participate, in order to save time, reduce travel, and maximize the number of people trained. Staff also attend in-office trainings on specific air quality issues and technologies, hosted by CARB. To better respond to an increasing and dynamic workload, significant cross-training of newer staff across a variety of job functions is being conducted. This cross-training assists in succession planning for key staff, and helps to better provide consistent customer service to our stakeholders, since there will be more staff able to assist in answering questions.

As the use of the internet has spread throughout the Valley's communities, the demand for paper documents, such as rules and plans, has dramatically decreased. The practice of using the District's website as the primary means of publishing large documents such as plans, rules, and air quality data continues to expand. This means use of paperless documents has become widely accepted by stakeholders and reduces the up-front printing, postage, and administrative staff time costs to the District. Additionally, the District notifies many stakeholders of workshops, hearings, and other advisories via e-mail. The e-mail notifications contain a hyperlink to the District web page for that project, and users are encouraged to download documents from the web page. The e-mail notifications have significantly reduced mailing and printing costs and staff processing time. To maintain effective communication with stakeholders who desire paper documents, the District has retained its hardcopy mailing function, and has developed programs to manage mailing list databases to avoid mailing duplicate copies to recipients.

### ***Air Monitoring***

The ongoing introduction of new ambient regulatory air quality monitoring mandates and the increasing demand for high-quality, real-time ambient air monitoring data result in dramatic increases in the workload within the District's air monitoring program each year. Aggressive efforts to automate air monitoring tasks and establish remote connections to air monitoring stations are essential to allow for mandates and monitoring data needs to be met without corresponding significant increases in program staffing. Without these efforts, meeting future regulatory air monitoring mandates and demands will not be sustainable with existing staffing levels. In 2026-27, the District is proposing to continue its aggressive efforts in the areas of streamlining, automation, remote connection and modernization by undertaking the following projects. Note that these initiatives and projects will benefit both the operation of the regulatory air monitoring network, as well as the community air monitoring networks for AB 617:

- Continued replacement of aging analyzers with newer "intelligent" models which incorporate remote connection capabilities to run diagnostic checks, to update/change configurations, and to evaluate operating parameters; this reduces trips to stations by allowing weekly and biweekly maintenance checks to be performed remotely, and facilitates timely completion of analyzer repairs by allowing the problem to be diagnosed remotely prior to visiting the station to effect the repair,
- Continued replacement of aging support equipment such as calibrators and zero air generators with new models which enhance remote connection capabilities and which will decrease analyzer downtime and maintenance costs associated with operating older equipment,
- Implement new flow rate standards for calibrating particulate matter analyzers that allow for remote connections, streamlining the calibration process for PM instruments,
- Use of the Data Management System (DMS) for the network which allows for automation of quality assurance/quality control (QA/QC) data analysis using data validation protocols with suspect data warnings,
- Develop scripting processes to assist in the further automation and streamlining of the validation process of regulatory air monitoring data, allowing for more efficient reporting to the EPA Air Quality System
- Use of the Data Acquisition System and Remote Control setup at stations which will allow for increased control and automation of station tasks (filter changes, calibrations, etc.) and will allow for the acquisition and uploading of analyzer operating parameters for use by the newer DMS in automated QA/QC data analysis; the acquisition and uploading of analyzer operating parameters also allows for proactive maintenance work to ensure data completion and instrument availability mandates are met,
- Purchase a variety of fixed assets that will streamline calibration processes and reduce staff time for tasks that are conducted on a routine basis throughout the year,
- Continue to enhance task management tools and processes to allow for improved organization of tasks, and quicker processes for reassigning tasks

- to other staff when needed, improving the overall operations of the air monitoring team,
- Continue to implement software to catalog and track warehouse parts inventory, fixed assets at air monitoring stations, and regular maintenance and calibration tasks needing to be completed to properly maintain the network; this software will allow staff to catalog and organize all spare parts being housed in storage, and be able to track when parts inventory is low so that replacements can be ordered in a timely manner; this software will assist in streamlining repair and maintenance tasks, and reduce potential data loss by ensuring that parts will not run out when they are needed most; this system could also have the potential to track where parts are being used,
  - Implement the full use of recently deployed ultrasonic anemometers to significantly reduce meteorological calibration time at sites as well as needed repairs due to ultrasonic anemometers having no moving parts,
  - Continue the use of recently deployed security cameras throughout the air monitoring network to enhance the protection of key assets, and provide valuable imagery of surrounding conditions during periods of suspicious data which could be attributed to exceptional events or localized sources of pollution,
  - Continue to implement the use of a 3D printer to quickly create needed parts to maintain the air monitoring network, and create custom parts for innovative projects as needed to continue to improve operations of the network,
  - Continue the installation of electric vehicle chargers at select air monitoring sites in the Valley, allowing field staff the ability to charge their vehicles while conducting air monitoring maintenance and operations.
  - Continued development of the additional space leased at the District's Griffith Facility to support air monitoring equipment storage needs, laboratory and calibration operations, and more comprehensive repair activities.

In 2026-27, the District will also be continuing an effort to evaluate the current Air Monitoring Network to ensure that it is correctly suited to provide the information necessary to meet federal requirements and District and stakeholder objectives while avoiding duplicative monitoring. This effort to "right-size" the monitoring network will allow the District to efficiently and effectively meet air monitoring requirements and needs while controlling costs in the face of new ambient air quality monitoring mandates and the increasing demand for high-quality, real-time, ambient air monitoring data.

### ***Incentive Grant Program***

Timeliness in the evaluation of incentive applications and payment of claims is imperative to allow the District to obtain much needed emission reductions within mandated state and federal timelines. Applicants expect quick turnaround times on their completed applications in order to install the new reduced-emission technologies in a timely manner. Failure to expend funds within specified timeframes may result in the loss and return of unused funds.

The most critical tool utilized in the administration of the District's voluntary incentive programs is the Grants Management System (GMS) database. This system tracks all activities related to the administration of all of our programs. The District's new and redesigned GMS has provided many new opportunities to improve District grant application and payment processing including data entries, project review, and reporting. Recent enhancements include improved internal controls and project monitoring, and streamlined claim processing. The District has also implemented remote grant project inspections to reduce travel time.

The District has continued to successfully design and launch multiple online grant portals to provide applicants access to submit their applications and supporting documents online, receive notifications, and check the status of their application without the need to contact District staff. These portals are available for the Alternatives to Agricultural Open Burning, Tractor Replacement, Fireplace and Woodstove Change-Out Program, Drive Clean in the San Joaquin Program, and Lawn and Garden Programs. The District is in the process of developing portals for other incentive programs.

The District is continuing to develop and finalize new policies and procedures to improve consistency and efficiency within the incentive programs. Having detailed policies will provide staff with answers to most common questions that arise and will allow them to proceed quickly with their various tasks. Additionally, well-trained staff will allow for improved operational efficiency and better customer service. The District will continue to provide staff with enhanced training opportunities to improve their technical skills and customer service.

Historically, the District has managed one of the most efficient grant processing programs in the state, as recognized by numerous independent audits. CARB and Department of Finance (DOF) audits found the District's incentive programs as fiscally sound and "efficiently and effectively achieving their emission reduction objectives." District staff has implemented numerous operational efficiencies to expedite the application and contract process and will continually look for opportunities for streamlining.

The following highlights key streamlining and efficiency measures the District will implement in administering its grant programs:

- Expanded automation of the grant process through the implementation of new technology, including the ability to receive online applications, and continued improvement of the District's custom grant management database,
- Expansion of electronic workflow and digital signature processes, including the use of OnBase for electronic workflow,
- Continually revamping programs, where applicable to eliminate unnecessary information and steps. This includes switching from a contract-based process to a voucher process and rebate process wherever applicable,
- Continued enhancement and development of new grant program guidelines and materials to provide diverse grant programs through which to expend

- existing and new funding sources, while streamlining the process for applicants,
- Continue to work closely with CARB to reduce administrative requirements under the FARMER, Carl Moyer, and Community Air Protection Program,
  - Refine templates and boilerplate contracts and supporting documentation to increase efficiency and consistency,
  - Continued consolidation of inspection procedures to provide enhanced customer service while reducing inspection staff time,
  - Expand use of various outreach options, including the use of the District's website to make program information and resources available,
  - Testing and implementation of new grant program reporting tools for public and internal use.

The District will continue developing and enhancing campaigns designed to promote awareness and participation in grant programs such as the Fireplace and Woodstove Change-Out Program, Alternatives to Agricultural Open Burning Program, and the Heavy Duty Engine Program. As in previous years, the District will implement a comprehensive multilingual outreach campaign to promote the Check Before You Burn Program and the Healthy Air Living programs. With the amendments to Rule 4901 (Residential Wood-burning Fireplaces and Wood-Burning Heaters) fully implemented, the District will work to ensure that the public is educated regarding the revised no burning thresholds, proper registration of clean burning devices, and grant funding opportunities for upgrading older wood burning devices.

Since all of the funds currently used for incentive programs and subsequent projects come from public funding sources, it is imperative that the District remains closely involved with guidelines and parameter changes that may affect the implementation, distribution, and efficiency of these grants. For that reason, staff actively participates in CARB and EPA workshops, public meetings, board meetings, working groups, and committee meetings that directly affect operations.

**SUMMARY OF POSITIONS**

<u>Title</u>	<u>2025/2026</u>	<u>2026/2027 Recommended</u>	<u>Increase/ Decrease</u>
Air Quality Analysis and Research Supervisor	1.0	1.0	0
Air Quality Assistant	4.0	4.0	0
Air Quality Instrument Specialist I/II	7.0	7.0	0
Air Quality Instrument Tech I/II	6.0	6.0	0
Air Quality Specialist I/II	40.0	40.0	0
Director of Air Quality Planning	1.0	1.0	0
Director of Air Quality Science	1.0	1.0	0
Director of Grants & Incentives	1.0	1.0	0
Office Assistant I/II	3.0	3.0	0
Operations Support Supervisor	1.0	1.0	0
Program Manager	5.0	5.0	0
Senior Air Quality Instrument Specialist	1.0	1.0	0
Senior Air Quality Instrument Tech	2.0	2.0	0
Senior Air Quality Specialist	19.0	19.0	0
Staff Technician I/II	3.0	3.0	0
Supervising Air Quality Instrument Specialist	1.0	1.0	0
Supervising Air Quality Instrument Tech	1.0	1.0	0
Supervising Air Quality Specialist	7.0	7.0	0
Supervising Atmospheric Modeler	1.0	1.0	0
<b>TOTAL</b>	<b><u>105.0</u></b>	<b><u>105.0</u></b>	<b><u>0</u></b>

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**Strategies and Incentives**

	Adjusted* FY 25-26	Recommended FY 26-27	Budget/Budget	
			Increase (Decrease)	%
<b>OPERATING APPROPRIATIONS</b>				
<b>SALARIES AND BENEFITS</b>				
Regular Salaries	\$10,471,042	\$11,078,095	\$607,053	6%
Temporary Help	\$1,291,003	\$295,608	(\$995,395)	(77%)
On Call Pay	-	-	-	-
Overtime	\$144,988	\$126,493	(\$18,495)	(13%)
Unemployment	\$24,051	\$23,407	(\$644)	(3%)
Retirement	\$5,026,881	\$4,910,658	(\$116,223)	(2%)
OASDI	\$249,103	\$186,465	(\$62,638)	(25%)
Workers Compensation	\$114,803	\$100,998	(\$13,805)	(12%)
Cafeteria Plan Benefits	\$1,354,949	\$1,281,316	(\$73,633)	(5%)
Long-Term Disability Insurance	\$29,310	\$28,391	(\$919)	(3%)
Alternate Transportation Incentive	\$81,900	\$81,900	-	-
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$18,788,030</b>	<b>\$18,113,331</b>	<b>(\$674,699)</b>	<b>(4%)</b>
<b>SERVICES AND SUPPLIES</b>				
Safety Supplies & Equipment	\$13,124	\$13,224	\$100	1%
Mobile Communications	\$70,099	\$71,111	\$1,012	1%
Telephone Charges	\$17,704	\$18,041	\$337	2%
Insurance	\$311,436	\$340,288	\$28,852	9%
Equipment Maintenance	\$43,996	\$45,599	\$1,603	4%
Vehicle Maintenance & Operations	\$52,800	\$62,700	\$9,900	19%
Computer Maintenance	\$538,892	\$458,323	(\$80,569)	(15%)
Video Conferencing Maintenance & Operations	-	-	-	-
Building Maintenance & Operations	\$105,373	\$97,135	(\$8,238)	(8%)
Office Supplies	\$11,802	\$8,353	(\$3,449)	(29%)
Computer Software & Supplies	\$79,313	\$85,413	\$6,100	8%
Monitoring Station Supplies & Equipment	\$1,089,608	\$688,501	(\$401,107)	(37%)
Postage	\$46,000	\$55,600	\$9,600	21%
Printing	\$14,036	\$14,270	\$234	2%
Professional & Specialized Services	\$210,629	\$278,800	\$68,171	32%
Publications & Legal Notices	\$39,600	\$33,000	(\$6,600)	(17%)
Rents & Leases	\$126,488	\$138,779	\$12,291	10%
Small Tools & Equipment	\$11,857	\$12,033	\$176	1%
Special District Expense	\$8,343	\$8,343	-	-
Travel & Training	\$45,200	\$45,200	-	-
Travel & Training - Boards	-	-	-	-
Utilities	\$221,010	\$228,412	\$7,402	3%
Audit Services	-	-	-	-
Legal Services	-	-	-	-
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$3,057,310</b>	<b>\$2,703,125</b>	<b>(\$354,185)</b>	<b>(12%)</b>
<b>FIXED ASSETS</b>				
Office Improvements	\$35,669	\$13,644	(\$22,025)	(62%)
Facilities & Equipment	\$47,098	\$13,154	(\$33,944)	(72%)
Computer Equipment	\$197,289	\$194,575	(\$2,714)	(1%)
Office Furniture / Equipment	\$9,921	\$9,935	\$14	-
Office Machines	\$2,733	\$3,463	\$730	27%
Telephone Systems	\$2,847	\$3,120	\$273	10%
Automobiles	\$222,000	-	(\$222,000)	(100%)
Air Monitoring Station Equipment	\$954,800	\$631,000	(\$323,800)	(34%)
Air Monitoring Automation/Remote Control Project	\$11,000	\$11,000	-	-
<b>TOTAL FIXED ASSETS</b>	<b>\$1,483,357</b>	<b>\$879,891</b>	<b>(\$603,466)</b>	<b>(41%)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$23,328,697</b>	<b>\$21,696,347</b>	<b>(\$1,632,350)</b>	<b>(7%)</b>

\* Adjusted Budget as of 4/16/2026

## Policy and Government Affairs

### FISCAL SUMMARY

	Budgeted 2025-26	Recommended 2026-27	Increase/ (Decrease)	
<u>Appropriations</u>				
Salaries and Benefits	1,824,112	1,904,296	80,184	4%
Services and Supplies	311,467	328,621	17,154	6%
Fixed Assets	22,869	17,390	(5,479)	-24%
Total	2,158,448	2,250,307	91,859	4%
<u>Position Summary</u>	10	10		

### FUNCTIONS

As the District continues its efforts to meet ever more challenging air quality standards, and improve the health of Valley residents, it has become increasingly important for the District to interact with governmental entities at the federal, state, and local level to address emissions that are not directly under the District’s authority to control. This is particularly true with regards to mobile sources of emissions which account for up to 90% of the emissions of concern in the San Joaquin Valley. These interactions have increased in both volume and complexity. The Department of Policy and Government Affairs engages in the following activities:

#### ***Federal Activities***

To date, working with our congressional delegation, the District continues to pursue ongoing diesel emission reduction funding through the Environmental Protection Agency budget, air quality funding for non-attainment areas in the Farm Bill, funding for air quality monitors, and funding for Valley-specific air quality research to guide development of the District’s air quality management strategies. Additionally, the District has been successful in continuing to educate and engage with federal agencies about the Valley’s air quality challenges and helping to develop federal policies and programs that are more responsive to the Valley’s needs. While the District has had great success in our federal advocacy efforts, the need for interaction with the Valley’s legislative delegation and our federal partners continues to increase.

Over the past year, the District has continued its efforts to secure EPA approval of its PM2.5 plan, while pursuing opportunities to improve the effectiveness and efficiency of implementing Federal Clean Air Act requirements in ways that accelerate air quality improvements and

protect public health. The District has also continued to advocate for incentive funding through the Diesel Emission Reduction Act, the Targeted Airshed Grant Program, and other federal programs, while seeking enhanced forest management resources and practices to reduce air quality impacts associated with wildfires. Additionally, the District continues to work closely with EPA and the California Air Resources Board to develop a revised ozone plan that accounts for emission reduction shortfalls resulting from withdrawn or disapproved mobile source waivers.

### **State Activities**

The District has aggressively advocated for resources and policy changes at the state level to assist the District in meeting its air quality and public health goals. Historically, the District has advocated for funding programs to address the Valley's specific air quality needs including the FARMER program, dedicated funding for alternatives to agricultural burning, AB 617 Community Air Protection Funding, and state authorization for the District to generate local revenue to reduce emissions in the San Joaquin Valley (Carl Moyer Program). Collectively, these efforts have led to billions of dollars of investment in clean air projects in the San Joaquin Valley.

Each year, the State Legislature proposes many bills dealing with air quality. The District often takes positions of support or opposition on these proposals depending upon whether they are beneficial to the Valley's efforts to improve public health and meet air quality standards. Often, this involves meeting with outside stakeholders, extensive meetings with legislative offices, and testifying at legislative hearings. The scope and breadth of issues that the District is involved with at the state legislature has continued to increase over time.

Additionally, consistent with the District's adopted Legislative Platform, the District engages with state policymakers on new climate initiatives to maximize opportunities for achieving the dual goals of reducing air pollution (criteria/air toxics) and greenhouse gas emissions (GHG). There are a number of current activities at the state level in which the District is engaged. These include:

- **Cap and Invest:** With the state facing ongoing budget challenges, it is critical that state funding be secured and prioritized for programs that deliver the most effective public health, climate, and economic benefits. In September 2025, the Legislature approved and Governor Newsom signed AB 1207 (Irwin) and SB 840 (Limón), reauthorizing the Cap-and-Trade Program, now renamed the Cap and Invest Program, through 2045. As the Legislature considers Greenhouse Gas Reduction Fund (GGRF) expenditures, particularly the \$1 billion set aside subject to appropriation, it is imperative that these flexible resources be directed toward proven, cost effective clean air programs that can help close emission reduction shortfalls and deliver immediate public health benefits, and support Clean Air Act (CAA) attainment. Sustained investment in programs such as FARMER, Alternatives to Open Burning, and the deployment of clean vehicles, buses, and off-road equipment is essential to ensure continued progress in San Joaquin Valley communities and throughout the state.

- **State Climate Bond:** California's new climate bond, approved in 2024 is aimed at reducing climate change impacts and promoting environmental resilience. Funding under the bond is allocated across multiple programmatic areas including wildfire prevention, carbon capture, water conservation, and the protection of natural resources. The bond includes funding aimed at supporting sustainable agriculture and Sustainable Groundwater Management Act implementation, such as the \$200 million allocation for the state's Multibenefit Land Repurposing Program and \$300 million for improving climate resilience and sustainability of agricultural lands.
- **Need to Address Emission Reduction Shortfall in the State Mobile Source Strategy:** Recent state and federal actions affecting California's authority to implement key mobile source regulations have created a significant emissions-reduction shortfall in the State's Mobile Source Strategy. Given the significance of mobile emissions, State Implementation Plans (SIP) for California's nonattainment areas rely heavily on state mobile source regulatory measures to achieve CAA attainment and protect public health. Constraints on these regulatory pathways now require California to recalibrate its approach to ensure continued progress toward air quality and climate mandates.

In response, CARB is updating its Mobile Source Strategy, including through its Drive Forward initiative, to identify alternative pathways to achieve needed emission reductions in the near and long term. This updated strategy builds upon the existing framework addressing emissions from passenger vehicles, heavy-duty trucks, off-road equipment, cargo-handling equipment, agricultural equipment, and other mobile sources, but increasingly depends on accelerated fleet turnover and the deployment of readily available clean and zero-emission technologies.

To meet CAA mandates, maintain SIP credibility, and avoid further public-health impacts associated with delayed emission reductions, it is critical that the State fully leverage incentive-based programs to help close the emissions gap. Prioritized and sustained funding for proven clean-air programs, such as the Carl Moyer Program, FARMER, and Clean Cars 4 All, is essential to offset lost or delayed regulatory reductions, deliver immediate and cost-effective public health benefits, and advance long-term emission reduction goals. Strategic investment in these programs represents both a necessary response to current regulatory constraints and a timely opportunity to ensure California remains on track to meet its air quality and climate commitments.

- **CARB Scoping Plan Update:** CARB has adopted the 2022 Scoping Plan for Achieving Carbon Neutrality (2022 Scoping Plan), which outlines the state's strategy for meeting its long-term climate goals. Consistent with AB 1279, the plan establishes a pathway to achieve carbon neutrality by 2045, including a reduction of anthropogenic GHG emissions by at least 85 percent below 1990 levels, with remaining emissions addressed through carbon sequestration. The actions and outcomes identified in the plan are intended to achieve substantial reductions in fossil fuel combustion through the deployment of clean technologies and fuels, further reduce short lived climate pollutants, support sustainable development, expand

actions on natural and working lands to reduce emissions and sequester carbon, and advance the capture and storage of carbon.

## **Local Activities**

### **California Environmental Quality Act (CEQA)**

The California Environmental Quality Act (CEQA) requires environmental impacts of a proposed project be identified, assessed, and avoided or mitigated as feasible, if these impacts are significant. The District analyzes its own permitting and rule development actions, as well as developer and Lead Agency project proposals for compliance with CEQA. In 2025, District staff reviewed 1,393 CEQA documents and sent approximately 469 comment letters to other CEQA lead agencies, and processed 179 CEQA projects related to Authority to Construct permitting. In the coming year, the District will continue to review and comment on project proposals received under CEQA.

### **Voluntary Emission Reduction Agreements (VERAs)**

Voluntary Emission Reduction Agreements (VERAs) provide a mechanism under which project proponents can voluntarily enter into a contractual agreement with the District to mitigate their project's impacts on air quality. Once entered into, VERAs become legally enforceable mechanisms for achieving air quality mitigation.

Dollars provided by the project proponent are reinvested in the Valley economy in emission reduction projects. Utilizing the District's highly successful incentive grant programs, the funds provided through the VERA are awarded to Valley businesses, residents, and municipalities to generate real and quantifiable reductions in emissions. The emission reductions secured through VERAs are "surplus" to existing regulations, achieving reductions earlier or beyond those required by regulations. Over the years, the District has built a reputation for excellence in the implementation of these programs, as highlighted in multiple audits by state agencies that lauded the District's incentive programs for their efficiency and effectiveness.

### **Indirect Source Review (ISR)**

District Rule 9510 (Indirect Source Review), was adopted by the District's Governing Board in 2005, and strengthened in 2017, to reduce the impacts of growth in emissions resulting from new land development projects in the San Joaquin Valley. The objective of the rule is to reduce emissions associated with construction and operational activities of development projects, particularly from vehicle miles traveled and other mobile-source related activities.

In 2025, the District received 665 ISR-related applications, which includes development project ISR applications and requests for ISR applicability determinations. Under the ISR rule, a project application review consists of assessing a project's potential emissions, quantifying mitigations proposed by the applicant, and assessing any required additional project mitigations under the rule, and associated fees, if applicable. A report of ISR activity and the emissions reductions generated by the program is published by the District in its annual ISR report each year.

## **SIGNIFICANT IMPACTS TO 2026-27 BUDGET**

The increasing workload associated with the duties performed by the District's Department of Policy and Government Affairs, as discussed below, is expected to be accommodated by available staff resources due to the District's continual focus on streamlining and efficiency improvements in all areas.

Consistent with the District's Core Values of ingenuity, innovation and continuous improvement, additional streamlining measures will continue to further enhance the already excellent District level of performance in terms of efficiency and customer service.

### **Significant Workload**

In the coming year, the Department of Policy and Government Affairs expects continued significant workload in our advocacy and outreach at the federal, state, and local level. The breadth and scope of activities that the District is engaged in continues to increase.

At the federal level there are a number of legislative and policy issues that impact air quality, as included in your Board approved Legislative Platform, that the District will be engaged in this next year. These include:

- Work with the current administration and congressional delegation about air quality challenges and needs, actions the District has taken to meet those challenges, and importance of EPA and federal government support in addressing increasingly difficult requirements under the Clean Air Act.
- Obtain federal resources in the form of grants and air quality incentives to allow the District to meet the aggressive air quality attainment timelines established by the CAA.
- Support adequate resources and policies to reduce the impact of wildfires and their attendant public health impact.
- Advocating for the continuation of air quality funding in the Farm Bill and through sustainable agriculture initiatives.
- Advocating for full funding of the Environmental Protection Agency's Diesel Emission Reduction and Targeted Airshed Grant Programs, which provide incentive funding for diesel emission reduction projects.
- Secure full EPA approval of the District's PM2.5 plan and ensure that the Valley is not subjected to punitive highway sanctions under the Federal Clean Air Act.
- Seeking federal resources for alternatives to agricultural burning including for the support of whole orchard recycling, composting, advanced bioenergy, and other clean air practices and technologies.

At the state level, the District will be actively involved in policy and budget issues to ensure continued state policies and resources provide maximum air quality and public health benefits in the San Joaquin Valley.

It is typical in the State of California to see boom and bust budget cycles. This year, the state is projecting a deficit of \$2.9 billion. The District will need to be extremely active in working with Valley stakeholders and state policymakers to avoid losing any of the resources we have been able to secure to date. Additionally, as mentioned previously, each year the state legislature proposes hundreds of bills dealing with air quality. The District will continue to be actively engaged with our stakeholders, legislative delegation, and state policymakers to ensure that the District's perspectives and priorities are considered as bills are developed and acted upon.

Finally, consistent with the District's adopted Legislative Platform, the District will continue to engage with state policy makers on new climate initiatives to maximize opportunities for achieving the dual goals of reducing air pollution (criteria/air toxics) and greenhouse gas emissions (GHG).

### ***Indirect Source Review (ISR)***

The District's Indirect Source Review (ISR) program implemented the first-of-its-kind Rule 9510, which is designed to mitigate increases in emissions from development projects. In the new fiscal year, it is expected PGA staff will experience a modest increase in ISR applications due to robust outreach and coordination with public agencies and project proponents for development projects in the Valley. These efforts are to ensure rule applicability, verification of mitigation measures and overall compliance with Rule 9510 requirements. Additionally, the District is enhancing its review of mitigation measures as well as evaluating the rule for stringency and other amendment potential, as it aligns with the District's emission reduction commitments in its attainment plans and as the District does on an ongoing basis for District rules and regulations.

### ***California Environmental Quality Act (CEQA) for ATC Projects***

California Environment Quality Act (CEQA) requires that the environmental impacts of a proposed project be identified, assessed, and avoided or mitigated, as feasible, if they are significant. It is expected that the CEQA workload of ensuring that environmental impacts have been evaluated for ATC projects will increase in the new fiscal year.

### ***California Environmental Quality Act (CEQA) Commenting for Development Projects***

CEQA requires that environmental impacts of a proposed project to be identified, assessed, and avoided or mitigated, as feasible, if these impacts are significant. Under this CEQA process the District serves as a commenting agency and reviews comments on CEQA documents submitted by public agencies. Based on recent trends, the District expects an increase in workload due to the number of CEQA documents submitted by public agencies in the next fiscal year for review and comment.

### ***Voluntary Emission Reduction Agreements (VERAs)***

For the coming year, the overall time to process VERA contracts is projected to remain stable. Under District CEQA review, the District continues to encourage the use of the VERAs to allow project proponents to mitigate air quality impacts of future projects. The District expects several additional contracts to be processed in the new fiscal year. In addition, previously

approved VERAs under which developers have begun construction, require accurate tracking to ensure compliance with the terms of the contract and to verify that targeted emission reductions are achieved. With new VERA contracts being approved and the tracking of previously approved contracts, the District will experience a sustained workload associated with the VERA program.

### **Efficiency and Streamlining**

In order to effectively and efficiently handle an increasing workload, and in the interest of developing the best and most economical programs possible, the District must and will continue its streamlining efforts. The following are just a few other streamlining measures the Policy and Government Affairs Department has implemented and some that are currently under development:

- Continued paperless workflow systems to maximize efficiency in processing CEQA commenting projects, Air Impact Assessment Applications and CEQA-related work to support District permitting process,
- Continued efforts to cross-train staff with the goal of further improving staff knowledge in departmental programs,
- Streamlined the CEQA-information gathering process related to District permitting process,
- Streamline and efficiency gains due to enhancing the CEQA commenting standardized template,
- Enhanced Indirect Source Review Program database to improve module functionality, upgrade reporting capabilities, and streamline program letter issuance.
- Updated the content of Policy and Government Affairs webpages, including applications, tools, and resources with the goal of ensuring information is more accessible to stakeholders and the public.

Through the District's Service, Teamwork, Attitude and Respect (STAR) program, and the District's Core Values, the department is committed to continuously improving the quality, effectiveness, and efficiency of programs by implementing process improvement suggestions from those who know the processes best – District staff.

**SUMMARY OF POSITIONS**

<u>Title</u>	<u>2025/2026</u>	<u>2026/2027 Recommended</u>	<u>Increase/ Decrease</u>
Air Quality Specialist I/II	6.0	6.0	0
Director of Policy & Government Affairs	1.0	1.0	0
Program Manager	1.0	1.0	0
Senior Air Quality Specialist	1.0	1.0	0
Supervising Air Quality Specialist	1.0	1.0	0
<b>TOTAL</b>	<b><u>10.0</u></b>	<b><u>10.0</u></b>	<b><u>0</u></b>

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**Policy & Government Affairs**

	Adjusted* FY 25-26	Recommended FY 26-27	Budget/Budget	
			Increase (Decrease)	%
<b>OPERATING APPROPRIATIONS</b>				
<b>SALARIES AND BENEFITS</b>				
Regular Salaries	\$1,111,836	\$1,194,940	\$83,104	7%
Temporary Help	-	-	-	-
On Call Pay	-	-	-	-
Overtime	\$21,858	\$19,028	(\$2,830)	(13%)
Unemployment	\$2,139	\$2,335	\$196	9%
Retirement	\$530,677	\$525,904	(\$4,773)	(1%)
OASDI	\$16,699	\$17,851	\$1,152	7%
Workers Compensation	\$8,359	\$7,986	(\$373)	(4%)
Cafeteria Plan Benefits	\$121,974	\$125,497	\$3,523	3%
Long-Term Disability Insurance	\$2,770	\$2,955	\$185	7%
Alternate Transportation Incentive	\$7,800	\$7,800	-	-
<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$1,824,112</b>	<b>\$1,904,296</b>	<b>\$80,184</b>	<b>4%</b>
<b>SERVICES AND SUPPLIES</b>				
Safety Supplies & Equipment	-	-	-	-
Mobile Communications	\$2,512	\$3,016	\$504	20%
Telephone Charges	\$1,679	\$1,713	\$34	2%
Insurance	\$29,660	\$32,407	\$2,747	9%
Equipment Maintenance	\$4,183	\$4,334	\$151	4%
Vehicle Maintenance & Operations	-	-	-	-
Computer Maintenance	\$31,719	\$38,381	\$6,662	21%
Video Conferencing Maintenance & Operations	-	-	-	-
Building Maintenance & Operations	\$10,024	\$9,240	(\$784)	(8%)
Office Supplies	\$1,122	\$793	(\$329)	(29%)
Computer Software & Supplies	\$6,357	\$6,935	\$578	9%
Monitoring Station Supplies & Equipment	-	-	-	-
Postage	-	\$100	\$100	-
Printing	\$1,278	\$1,301	\$23	2%
Professional & Specialized Services	\$178,543	\$184,359	\$5,816	3%
Publications & Legal Notices	\$12,220	\$12,220	-	-
Rents & Leases	\$965	\$2,131	\$1,166	121%
Small Tools & Equipment	\$985	\$1,002	\$17	2%
Special District Expense	\$612	\$396	(\$216)	(35%)
Travel & Training	\$17,640	\$17,640	-	-
Travel & Training - Boards	-	-	-	-
Utilities	\$11,968	\$12,653	\$685	6%
Audit Services	-	-	-	-
Legal Services	-	-	-	-
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$311,467</b>	<b>\$328,621</b>	<b>\$17,154</b>	<b>6%</b>
<b>FIXED ASSETS</b>				
Office Improvements	\$3,393	\$1,297	(\$2,096)	(62%)
Facilities & Equipment	\$4,477	\$1,251	(\$3,226)	(72%)
Computer Equipment	\$13,539	\$13,281	(\$258)	(2%)
Office Furniture / Equipment	\$943	\$945	\$2	-
Office Machines	\$258	\$328	\$70	27%
Telephone Systems	\$259	\$288	\$29	11%
<b>TOTAL FIXED ASSETS</b>	<b>\$22,869</b>	<b>\$17,390</b>	<b>(\$5,479)</b>	<b>(24%)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$2,158,448</b>	<b>\$2,250,307</b>	<b>\$91,859</b>	<b>4%</b>

\* Adjusted Budget as of 4/16/2026

# NON-OPERATING BUDGET

# **NON-OPERATING BUDGET**

**FISCAL SUMMARY**

	<u>Budgeted 2025-26</u>	<u>Recommended 2026-27</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
<u>Appropriations</u>				
Other Charges	70,600	263,800	193,200	274%
Incentive Programs	441,254,079	310,557,067	(130,697,012)	-30%
Approp. for Contingencies	<u>850,000</u>	<u>850,000</u>	<u>-</u>	
 Total	 <u><u>442,174,679</u></u>	 <u><u>311,670,867</u></u>	 <u><u>(130,503,812)</u></u>	 <u><u>-30%</u></u>

**FUNCTION**

This budget unit has been established for those expenditures that are not related to the internal operations of the District or that are not attributable to any specific program. The large majority of the appropriations in this budget unit are for the District’s incentive grant programs. This budget unit also contains the Appropriation for Contingencies account. Descriptions for each account, along with explanations for any significant changes as compared to the 2025-26 budget, are included below.

**OTHER CHARGES**

**Air Toxics - Pass Through**

This appropriation represents the portion of the Toxic “Hot Spots” fees collected by the District on behalf of the state that is intended to reimburse the California Air Resources Board (ARB) and the Office of Environmental Health & Hazard Assessment (OEHHA) for their share of the costs associated with this program. These fees are forwarded to the state only after the cost of the District’s program has been recovered. The recommended appropriations for Fiscal Year 2026-27 are \$263,800.

**INCENTIVE PROGRAMS**

The 2026-27 Recommended Budget includes \$311,670,867 in appropriations for emission reduction incentive grants. These appropriations represent revenues anticipated to be received in FY 2026-27, as well as any unused funds that carry over from the prior year. The District expects that additional incentive funds will be added to the 2026-27 Non-

Operating Budget throughout the year with budget amendments brought to the Governing Board as additional funding is secured.

The following provides the detail of the incentive program appropriations currently included in the 2026-27 Recommended Budget:

• DMV Surcharge Fees - Incentives	\$ 58,558,100
• Carl Moyer Program	42,770,800
• ISR & VERA	26,214,200
• Proposition 1B Funding Program	3,570,800
• Federal Funding	15,875,467
• Community Incentives	20,332,500
• Enhanced Fleet Modernization	7,483,700
• Community Air Protection	80,169,300
• FARMER	9,752,500
• Cap and Trade	12,524,500
• Volkswagen Mitigation Funding	32,077,500
• Miscellaneous Incentive Grants	505,000
• ARB SEP	986,500
• Contingencies	850,000
<b>Total Incentive Grants</b>	<b><u>\$311,670,867</u></b>

### **DMV Surcharge Fees**

This appropriation is funded by DMV Surcharge Fee revenue. The District's DMV Surcharge sources available to the District for appropriation include those authorized under AB 2766, AB 923, SB 709, and AB 2522. Depending on the source of the DMV Surcharge Fee revenue, the restrictions included with the enabling legislation, and the types of grant applications received by the District, these funds can be used in several of the District's programs.

### **Carl Moyer Program**

This appropriation is funded through state allocations of Carl Moyer Program funding to the District. These funds are used predominantly in the Heavy-Duty Program and are granted in strict accordance with guidelines adopted by the Air Resources Board.

### **Indirect Source Review and Voluntary Emission Reduction Agreements**

This appropriation represents the estimate for incentive grant revenue available as the result of the District's ISR Rule and voluntary development mitigation agreements. Residential and commercial development projects provide these funds to offset emissions associated with their projects. The Heavy-Duty Program and other programs, such as the District's Burn Cleaner Program, use these funds for quantifiable and enforceable projects that reduce surplus emissions of NOx and PM.

### **Proposition 1B Funding**

This appropriation includes Proposition 1B Goods Movement Reduction Program funding anticipated to be liquidated in 2026-27. Funding from Proposition 1B will be used for specific advanced technology heavy-duty on-road vehicle projects providing funding for truck replacements, transport refrigeration units (TRUs), and locomotive replacements.

### **Federal Funding**

This appropriation represents funding from the EPA Air Shed funds for Agricultural Tractor Replacement Program, Low Dust Nut Harvester Program, Heavy-Duty Truck Replacement, Electric Yard Truck Replacement Program, Fireplace and Woodstove Change-Out Program and the Electric Freight Corridor Program. In addition, the District will receive federal funding for the Technology Advancement Program.

### **Community & Other Incentives funded by Operating Revenues**

This appropriation represents funding transferred from Operating Revenues to fund various incentive programs. The District is currently receiving annual revenue through both Rule 4320 (Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr.), and through Rule 3170 which implements Section 185 of the federal Clean Air Act. These revenues primarily provide the funding to transfer resources from the Operating Budget to the Non-Operating Budget for incentive programs, including the District's Fireplace and Woodstove Change-Out Program, Ag Burn Alternatives Program and Low Dust Nut Harvester Equipment Replacement Program. The District may create new program components to complement those already existing.

### **Enhanced Fleet Modernization**

This funding is used for projects that generate reductions in greenhouse gas emissions with potential co-benefits of criteria pollutant reductions. Per state legislation and guidelines, funding must provide significant benefits to disadvantaged communities. This appropriation represents incentive funding for light duty vehicle replacement through the District's Drive Clean in the San Joaquin Replacement program, utilizing state Enhanced Fleet Modernization Program (EFMP)/EFMP Plus-Up and Clean Cars for All funding.

### **Community Air Protection**

These funds are intended to reduce emissions in low-income and disadvantaged communities throughout the region, including funds allocated to communities selected through the AB 617 process and included in Board-approved Community Emission Reduction Programs. Funds from this category can be used on existing programs such as Carl Moyer and Proposition 1B, new stationary source categories developed by CARB, and projects identified through the Community Emission Reduction Program.

### **FARMER**

These funds are utilized to reduce emissions from the agricultural sector by providing grants, rebates, and other financial incentives for agricultural tractors, zero-emission agricultural utility terrain vehicles (UTVs), harvesting equipment, agricultural pump engines, and other equipment used in agricultural operations.

### **Alternatives to Agricultural Open Burning**

This program provides financial incentives to commercial agricultural operations located within the District boundaries to chip agricultural material. The chipped material is then used for soil incorporation, land application on agricultural land, or other approved off-site beneficial reuse as an alternative to the open burning of the agricultural materials.

### **Volkswagen Mitigation Funding**

The District is administering \$160 million of the Volkswagen Mitigation Trust funding program on behalf of the California Air Resources Board. The District is administering funding to replace transit, school, and shuttle buses with zero-emission buses through a statewide solicitation. The initial funding was allocated in two phases of \$65 million each. The District recently received an additional \$30 million allocation. The District is currently administering the final phase of this program.

### **Miscellaneous Incentive Programs**

This appropriation includes Hearing Board funds, Clean Air Center funds, and other qualified funds designated to various incentive projects.

### **Appropriation for Contingencies**

The purpose of the Appropriation for Contingencies Account is to provide a prudent safety net should the District encounter a reduction in revenue or an increase in expenditures caused by state or federal actions, or other unforeseen circumstances. The recommended appropriation for this account for 2026-27 is \$850,000, the same as that recommended and adopted for 2025-26.

## **INCENTIVES SPENDING PLAN**

### **BACKGROUND**

The District operates one of the largest and most well-respected voluntary incentive programs in the state. With strong advocacy efforts at the state and federal levels, the District has seen a significant increase in incentive funding levels over the past several years. Incentive program appropriations rose from \$25 million in the 2005-06 Budget, to the proposed incentive program appropriations of \$311.7 million in the 2026-27 Recommended Budget. The District’s voluntary incentive programs complement regulatory control measures by providing much needed reductions from source types that the District has little or no direct authority to regulate. District incentive programs have a positive impact on air quality and are highly successful due to the fact that participation is voluntary and the emission reductions are both highly cost-effective and go beyond the reductions required by regulations.

Since the District’s inception in 1992, considerable funding has been expended in support of clean-air projects in the Valley, as summarized in the following table. These projects have achieved significant emissions reductions and corresponding air quality and health benefits. The District typically requires match funding of 30% – 70% from grant recipients. To date, grant recipients have provided over \$4.36 billion in match funding, with a combined District and grant recipient funding investment of more than \$7.6 billion.

<b>District Incentive Funding (\$)</b>	<b>Grant Recipient Match Funding (\$)</b>	<b>Emissions Reductions (tons)</b>	<b>Cost- effectiveness (\$/ton)</b>
\$3,261,676,000	\$4,360,221,000	293,000	\$11,110

Over the past 10 years, the District has provided incentive funding to purchase, replace or retrofit thousands of pieces of equipment, including:

- 233 agricultural irrigation pump engines (~\$6,800/ton)
- 12,336 agricultural equipment replacements (~\$13,500/ton)
- 7,076 Alternatives to agricultural burning projects (~\$4,300/ton)
- 76 off-road equipment repowers (~\$15,900/ton)
- 2,330 heavy-duty trucks (~\$110,000/ton)
- 72 school bus retrofits (dedicated funding source –funding based on public health considerations rather than \$/ton cost effectiveness)
- 293 school bus replacements (dedicated funding source –funding based on public health considerations rather than \$/ton cost effectiveness)
- 10,050 lawnmower replacements (dedicated funding source –funding based on public health considerations rather than \$/ton cost effectiveness)

- 22,594 fireplace change-outs (dedicated funding source –funding based on public health considerations rather than \$/ton cost effectiveness)
- 35 locomotive replacements/retrofits (~\$14,400/ton)
- 38,145 new alt fuel light duty vehicles Public & Private (~\$50,000 - \$150,000/ton)
- 10,648 vehicle retirements (car crushing) (~\$15,000-\$50,000/ton)
- 127,000 vehicle emissions repairs (~\$20,000/ton)
- 5 bicycle infrastructure projects (bike paths) (~\$39,900/ton)

## **INCENTIVE STRATEGY**

Each of the funding sources administered by the District includes different guidelines and statutory requirements for the expenditure of those funds, but generally, the District currently considers the following factors when deciding how and where to spend our incentive funds:

**Cost-effectiveness** – An important influence when considering where to invest District funds, is determining which types of projects and programs will give the District the greatest return on its investment. This is typically represented in dollars per ton of emissions reduced. While cost-effectiveness is a primary factor, the District also considers the funding of projects that may not have the highest cost-effectiveness, but provide other benefits, such as the advancement of new technology, or community involvement (as described below).

**Inventory of available projects** – This factor is critical in all District incentive programs. To date, the District has been extremely successful in designing programs that have broad appeal and applicability across a wide variety of industries. The result has been that, for the last 10 years, the District has had a substantial backlog of eligible projects waiting for funding. However, with the regulatory landscape changing, many of the past project categories that created the enormous backlog have come under regulation, making them, in most cases, ineligible for funding. As a result, the District must continue to work within the existing regulations to find cost-effective, surplus project categories but also to focus on areas in which a significant inventory of eligible projects still exists.

**Required expenditure timeframes** – Each funding source that the District administers generally requires obligation and expenditure by certain deadlines. These deadlines greatly impact our funding priorities and choice of projects. The District may prioritize a funding category over others due to the timeframe associated with a particular funding source. For instance, we may prioritize certain projects that we can reasonably expect to be completed prior to the deadline for a specific fund, over other projects of equal relevance or cost-effectiveness but with longer expected completion times. Again, the flexibility of this option works in concert with the dynamic nature of our programs and projects and numerous expenditure deadlines.

**Upcoming regulatory deadlines** – To ensure that the District’s incentive programs obtain the maximum SIP creditable emission reductions, a thorough analysis of all local, state and federal regulations relating to our target categories is performed. In addition, the District works proactively with the regulating agencies during the rule development process to understand the potential impacts of that rule on incentive projects and to ensure that opportunities for early incentive funding are maximized. These analyses determine which types of projects can be funded and for how long, and also impact the potential cost-effectiveness of certain categories.

**Health benefits** – In addition to seeking emissions reductions that provide benefit in attaining federal air quality standards, the District also seeks opportunities to incentivize projects that provide direct health benefits. For instance, the District’s Lower Emission School Bus Program is focused primarily on the localized toxic risk involved in children’s exposure to diesel particulates. While not the largest source of regional particulate pollution, replacing or retrofitting aging school buses has an enormous impact on the toxic risk of school transportation.

**Promoting technology advancement** – Given the immense challenge faced by the Valley in attaining federal air quality standards, funding projects that demonstrate and advance new emission reduction technologies is essential. The Board’s adoption of the Technology Advancement Program emphasizes the priority given to this area.

**Community involvement/benefits** – The District places a strong emphasis in providing funding in a manner that recognizes the challenges in socioeconomically and environmentally impacted communities, consistent with state guidelines. As an important component, the District engages with residents, non-governmental organizations, public agencies, and businesses in developing and administering programs with an emphasis on community involvement. Some examples of these are the Lawnmower Change-Out, Burn Cleaner, Transit Pass Subsidy, and the Drive Clean in the San Joaquin Programs.

### **Statutory Constraints**

The District derives its current incentive funding from a range of local, state and federal funding sources. These funding sources contain restrictions on the types of projects that may be funded, funding limitations, expenditure deadlines, and administrative approach for distribution. These requirements vary significantly from one funding source to another, resulting in a complex matrix of funding categories and program requirements. Some key examples include:

**Proposition 1B Goods Movement** – Funding for this program must be used on heavy duty trucks and locomotives. The program’s procedures require the use of a Request for Proposals (RFP) process and that the most cost-effective projects be funded first.

**Carl Moyer** – Funding is predominately used for heavy duty projects. The program has strict funding caps and cost-effectiveness requirements.

**DMV Funds** – Funding must primarily be used for on-road and off-road mobile sources. Portions of funds must follow State Carl Moyer and Lower Emission School Bus guidelines.

**Advanced Emission Reduction Option (AERO) Funds** – Funding is for emission reduction incentive projects. The Governing Board has discretion as to where to apply these funds.

**Indirect Source Review (ISR) Funds and Voluntary Emission Reduction Agreement Funds (VERA)** – Funding preference is given to projects within proximity to development projects.

**Federal Funding** – Funding is for emissions reductions incentive projects that reduce diesel emissions (NOx and PM). Some funding eligibility is restricted to the top 5 non-attainment air shed regions for ozone and particulate matter.

**Community Air Protection Funds** – These funds are intended to reduce emissions in low-income, disadvantaged, and other communities throughout the region, including funds allocated to communities selected through the AB 617 process and included in Board-approved Community Emission Reduction Programs. Funds from this category can be used on existing programs such as Carl Moyer and Proposition 1B, new stationary source categories developed by ARB, alternatives to open burning, and other programs identified through the Community Emission Reduction Program.

**Volkswagen Mitigation Trust Funding** – The District is administering \$130 million of the Volkswagen Mitigation Trust funding program on behalf of the California Air Resources Board. This funding supports the replacement of transit, school and shuttle buses with zero-emission buses through a statewide solicitation. The funding is allocated in two phases of \$65 million each. Additionally, CARB recently released an additional \$40,000,000 in funding under this program to project categories with additional need. Due to the District's success in administering this funding, it has been awarded an additional \$30,000,000 for bus replacement projects and is currently overseeing the implementation of these funds.

**FARMER Program Funding** – These funds are utilized to reduce emissions from the agricultural sector by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

**Ag Burn Alternatives Funding** – These funds provide financial incentives to commercial agricultural operations located within the District boundaries to chip agricultural material. The chipped material is then used for soil incorporation or land application on agricultural land as an alternative to the open burning of the agricultural materials.

## **PROPOSED INCENTIVES SPENDING PLAN**

Based on the above factors, the District proposes the below incentive program spending plan for the 2026-27 Budget. The actual spending in different project categories will depend on the cost-effectiveness and number of applications received for each category. Due to the economic circumstances and uncertain timing of several of the funding sources, the expenditure of the below funds may take more than one fiscal year to complete.

### **Fiscal Year 2026-27 Spending Plan**

#### **Heavy-Duty Programs**

Ag Equipment Replacement	\$125,834,670
Ag Pump Replacement	\$1,000,000
Alternative Fuel Infrastructure	\$14,096,000
Electric Ag UTV	\$3,000,000
Electric Yard Trucks	\$1,252,680
Emergency Vehicle Replacement	\$500,000
Forklifts	\$5,000,000
Low-Dust Nut Harvester Replacement	\$4,500,000
Transport Refrigeration Units	3,570,800
Truck Replacement Program	\$13,974,982

#### **Community Incentives**

Clean Air Rooms	\$986,500
Commercial Lawn and Garden	\$4,000,000
Drive Clean Rebate Program	\$3,000,000
Drive Clean Repair Program (Tune-In Tune-Up)	\$12,000,000
Drive Clean Replacement Program	\$9,483,700
Fireplace and Woodstove Change Out	\$10,522,721
Miscellaneous Incentives	\$137,000
Residential Lawn and Garden	\$500,000
VMT Reduction Program	\$500,000
Alternate Settlement	\$104,200

#### **Community Air Protection (CERP) Funds**

Ag Burn Alternatives	\$250,000
Charge Up Program	\$50,000
Commercial Lawn and Garden	\$83,481
Drive Clean Repair Program (Tune-In Tune-Up)	\$1,237,951
Drive Clean Replacement Program	\$7,500,000
Fireplace and Woodstove Change Out	\$150,000
Low Dust Nut Harvesters	\$400,000
Public Benefits	\$300,000

Residential Air Filtration	\$500,000
Residential Lawn and Garden	\$1,228,693
School Bus Replacement and Retrofit	\$1,000,000
Truck Replacement Program	\$1,000,000
Urban Greening	\$1,058,280
Vegetative Barriers	\$1,050,909

**Advanced Transportation/Vehicles**

Charge Up Program	\$2,000,000
EPA – Heavy Duty Truck Replacement	\$4,375,000
Public Benefits	\$3,000,000
Volkswagen Mitigation Trust	\$32,077,500
SC Fresno Pepsi Project	\$559,500
OK Produce Project	\$10,890,600

**Non-Mobile Programs**

Alternatives to Agricultural Open Burning	\$27,406,900
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**Technology Advancement**

Charbroilers	\$475,000
Contingencies	\$850,000
Air Toxics	\$263,800

<b>Grand Total</b>	<b>\$311,670,867</b>
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**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT  
TOTAL DISTRICT**

	Adjusted* FY 25-26	Estimated Actuals FY 25-26	Recommended FY 26-27	Budget/Budget		Budget/Actual	
				Increase (Decrease)	%	Increase (Decrease)	%
<b>NON-OPERATING APPROPRIATIONS</b>							
<b>OTHER CHARGES</b>							
Air Toxic Pass Through	\$70,600	\$70,574	\$263,800	\$193,200	274%	\$193,226	274%
<b>TOTAL OTHER CHARGES</b>	<b>\$70,600</b>	<b>\$70,574</b>	<b>\$263,800</b>	<b>\$193,200</b>	<b>274%</b>	<b>\$193,226</b>	<b>274%</b>
<b>INCENTIVE PROGRAMS</b>							
DMV Surcharge Fees - Incentives	\$59,506,700	\$57,807,073	\$58,558,100	(\$948,600)	(2%)	\$751,027	1%
Carl Moyer Program	\$31,877,844	\$29,691,193	\$42,770,800	\$10,892,956	34%	\$13,079,607	44%
ISR and VERA'S	\$22,875,500	\$8,941,941	\$26,214,200	\$3,338,700	15%	\$17,272,259	193%
Proposition 1B Funding Program	\$5,981,300	\$2,500,000	\$3,570,800	(\$2,410,500)	(40%)	\$1,070,800	43%
Federal DERA/Designated Funding Program	\$53,087,492	\$52,121,027	\$15,875,467	(\$37,212,025)	(70%)	(\$36,245,560)	(70%)
Incentive Programs Funded by Operating Revenue	\$10,911,600	\$10,708,623	\$20,332,500	\$9,420,900	86%	\$9,623,877	90%
Miscellaneous Incentive Programs	\$94,600	\$93,662	\$241,200	\$146,600	155%	\$147,538	158%
CEC Grants	-	-	\$559,500	\$559,500	-	\$559,500	-
State Cap & Trade Funding	\$228,440,643	\$223,705,995	\$110,357,000	(\$118,083,643)	(52%)	(\$113,348,995)	(51%)
Volkswagen Mitigation Funding	\$28,478,400	\$27,728,419	\$32,077,500	\$3,599,100	13%	\$4,349,081	16%
<b>TOTAL INCENTIVE PROGRAMS</b>	<b>\$441,254,079</b>	<b>\$413,297,933</b>	<b>\$310,557,067</b>	<b>(\$130,697,012)</b>	<b>(30%)</b>	<b>(\$102,740,866)</b>	<b>(25%)</b>
Appropriation for Contingencies	\$850,000	-	\$850,000	-	-	-	-
<b>TOTAL NON-OPERATING APPROPRIATIONS</b>	<b>\$442,174,679</b>	<b>\$413,368,507</b>	<b>\$311,670,867</b>	<b>(\$130,503,812)</b>	<b>(30%)</b>	<b>(\$101,697,640)</b>	<b>(25%)</b>

\* Adjusted Budget as of 4/16/2026

# PRIOR YEARS BUDGET COMPARISON

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT  
BUDGET SUMMARY**

**Prior 3 Years and 2026-27 Recommended**

	Adjusted 2023-24 @ 6/30/24	Adjusted 2024-25 @ 6/30/25	Adjusted 2025-26 @ 4/16/26	Recommended 2026-27
<b>APPROPRIATIONS</b>				
Salaries & Benefits (net of Salary Savings)	\$ 58,955,806	\$ 70,460,719	\$ 66,875,723	\$ 67,912,577
Services & Supplies	9,970,050	10,233,326	9,793,094	9,558,246
Fixed Assets	3,936,801	5,379,519	2,896,596	1,906,970
<b>OPERATING APPROPRIATIONS</b>	<u>72,862,657</u>	<u>86,073,564</u>	<u>79,565,413</u>	<u>79,377,793</u>
Other Charges	232,400	117,200	70,600	263,800
Incentive Contracts	850,260,419	639,317,955	441,254,079	310,557,067
Appropriation for Contingencies	850,000	221,760	850,000	850,000
<b>NON-OPERATING APPROPRIATIONS</b>	<u>851,342,819</u>	<u>639,656,915</u>	<u>442,174,679</u>	<u>311,670,867</u>
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 924,205,476</u>	<u>\$ 725,730,479</u>	<u>\$ 521,740,092</u>	<u>\$ 391,048,660</u>
<b>REVENUE</b>				
Stationary Revenue	\$ 28,895,391	\$ 31,576,569	\$ 34,417,683	\$ 38,315,091
Grant Revenue	16,020,000	16,682,488	15,620,000	14,386,880
DMV Surcharge Fees - District Portion	13,622,345	13,423,514	14,261,435	14,866,400
Administrative Revenues Earned	10,000,000	10,000,000	9,500,000	11,000,000
Transferred to Non-Operating Revenue	(5,250,000)	(10,050,000)	(5,000,000)	(12,000,000)
Fund Balance Used	11,324,921	17,900,993	11,941,295	13,634,422
Reserves Released / (Increased)	(1,750,000)	6,540,000	(1,175,000)	(825,000)
<b>OPERATING REVENUE/FUNDING SOURCES</b>	<u>72,862,657</u>	<u>86,073,564</u>	<u>79,565,413</u>	<u>79,377,793</u>
Non-Operating Revenue	525,666,387	415,717,129	297,122,925	216,878,808
Reimbursement for Administrative Revenues Earned	(10,000,000)	(10,000,000)	(9,500,000)	(11,000,000)
Fund Balance/Reserves Released	335,676,432	233,939,786	154,551,754	105,792,059
<b>NON-OPERATING REVENUE/FUNDING SOURCES</b>	<u>851,342,819</u>	<u>639,656,915</u>	<u>442,174,679</u>	<u>311,670,867</u>
<b>TOTAL REVENUE/FUNDING SOURCES</b>	<u>\$ 924,205,476</u>	<u>\$ 725,730,479</u>	<u>\$ 521,740,092</u>	<u>\$ 391,048,660</u>
<hr/>				
<b>RECOMMENDED POSITIONS</b>	384.5	385.5	385.0	385.0
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<b>RESERVES</b>				
General Reserve	\$ 14,600,000	\$ 14,800,000	\$ 15,700,000	\$ 15,900,000
Computer Equipment Reserve	-	-	-	500,000
VTC / Meeting Equipment Reserve	200,000	200,000	400,000	600,000
Building Improvement Reserve	1,200,000	1,200,000	1,200,000	1,200,000
Modeling Center Reserve	500,000	65,000	65,000	65,000
Monitoring Equipment Reserve	200,000	275,000	350,000	275,000
Pension Stabilization Reserve Fund	6,380,000	-	-	-

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**SCHEDULE OF ESTIMATED REVENUES**  
**Prior 3 Years and 2026-27 Recommended**

<u>ACCOUNT TITLE</u>	<u>2023-24 Adjusted Revenues @ 6/30/24</u>	<u>2024-25 Adjusted Revenues @ 6/30/25</u>	<u>2025-26 Adjusted Revenues @ 4/16/26</u>	<u>2026-27 Estimated Revenues</u>
<b>OPERATING REVENUE</b>				
<b>STATIONARY SOURCE</b>				
Permit Fees	\$ 20,742,641	\$ 21,303,422	\$ 22,185,235	\$ 24,005,179
Section 185 - Non Attainment Fees - Rule 3170	300,000	360,000	360,000	2,271,662
Advanced Emission Reduction Options (AERO) Fees	2,600,000	4,645,397	4,969,791	4,395,450
Settlements	3,000,000	3,000,000	3,500,000	4,000,000
Interest	2,000,000	2,000,000	3,000,000	3,500,000
Miscellaneous	52,750	67,750	202,657	52,800
Residential Furnaces - Rule 4905	200,000	200,000	200,000	90,000
<b>Total Stationary Non-Grant Operating Revenue</b>	<b>28,895,391</b>	<b>31,576,569</b>	<b>34,417,683</b>	<b>38,315,091</b>
<b>GRANT REVENUE</b>				
State Subvention	900,000	900,000	900,000	900,000
EPA 105 Grant	2,000,000	2,000,000	2,000,000	2,000,000
EPA 103 Grant	65,000	727,488	65,000	65,000
State AB 617 Implementation Fund	12,700,000	12,700,000	12,300,000	11,066,880
State Grant - Oil and Gas Regulations	355,000	355,000	355,000	355,000
<b>Total Grant Revenue</b>	<b>16,020,000</b>	<b>16,682,488</b>	<b>15,620,000</b>	<b>14,386,880</b>
<b>Total Stationary Operating Revenue</b>	<b>\$ 44,915,391</b>	<b>\$ 48,259,057</b>	<b>\$ 50,037,683</b>	<b>\$ 52,701,971</b>
DMV Surcharge Fees - District	\$ 13,622,345	\$ 13,423,514	\$ 14,261,435	\$ 14,866,400
Administrative Fees - Incentive Programs	10,000,000	10,000,000	9,500,000	11,000,000
<b>Total Operating Revenue</b>	<b>\$ 68,537,736</b>	<b>\$ 71,682,571</b>	<b>\$ 73,799,118</b>	<b>\$ 78,568,371</b>
Transfer to Non-Operating Revenue for Incentive Grants	\$ (5,250,000)	\$ (10,050,000)	\$ (5,000,000)	\$ (12,000,000)
<b>Fund Balance Used</b>	<b>11,324,921</b>	<b>17,900,993</b>	<b>11,941,295</b>	<b>13,634,422</b>
<b>Reserves Released / (Increased)</b>	<b>(1,750,000)</b>	<b>6,540,000</b>	<b>(1,175,000)</b>	<b>(825,000)</b>
<b>Estimated Funding Sources - Operating</b>	<b>\$ 72,862,657</b>	<b>\$ 86,073,564</b>	<b>\$ 79,565,413</b>	<b>\$ 79,377,793</b>
<b>NON-OPERATING REVENUE</b>				
Air Toxics - Pass Through	\$ 232,362	\$ 117,180	\$ 70,574	\$ 195,647
DMV Surcharge Fees - Pass Through	49,414,388	48,693,139	47,636,474	49,512,000
Carl Moyer Funds	19,000,000	31,090,000	20,657,944	19,000,000
VERA/ISR Mitigation Program	20,891,448	14,971,789	13,277,793	11,184,918
Federal DERA/Designated Funding Programs	99,579,174	108,887,391	65,836,484	84,219,673
Miscellaneous Incentive Grant Funding	20,000	20,000	20,000	100,000
Non-Operating Interest	12,036,293	15,303,801	16,183,024	13,760,525
Operating Revenues Funding Incentive Programs	5,250,000	10,050,000	5,000,000	12,000,000
CEC Grants	13,985,873	4,137,000	9,507,000	6,159,499
Reimburse Operating for Administrative Revenues Earned	(10,000,000)	(10,000,000)	(9,500,000)	(11,000,000)
Administrative Fees - Incentive Programs	21,631,885	12,381,412	14,715,948	7,216,546
State Cap & Trade Funding	255,344,964	147,711,905	106,102,451	13,530,000
Volkswagen Mitigation Funding	28,280,000	27,000,000	-	-
<b>Total Non-Operating Revenue</b>	<b>\$ 515,666,387</b>	<b>\$ 410,363,617</b>	<b>\$ 289,507,692</b>	<b>\$ 205,878,808</b>
<b>Fund Bal. Used/Non-Adm Reserves Released/(Increased)</b>	<b>\$ 335,676,432</b>	<b>\$ 233,939,786</b>	<b>\$ 154,551,754</b>	<b>\$ 105,792,059</b>
<b>Adm Reserves Released / (Increased)</b>	<b>\$ -</b>	<b>\$ (4,646,488)</b>	<b>\$ (1,884,767)</b>	<b>\$ -</b>
<b>Estimated Funding Sources - Non-Operating</b>	<b>\$ 851,342,819</b>	<b>\$ 639,656,915</b>	<b>\$ 442,174,679</b>	<b>\$ 311,670,867</b>
<b>TOTAL REVENUE</b>				
<b>Estimated Financing Sources - Total</b>	<b>\$ 924,205,476</b>	<b>\$ 725,730,479</b>	<b>\$ 521,740,092</b>	<b>\$ 391,048,660</b>

**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**

**Budget Comparison**

**Total District**

**Prior 3 Years and 2026-27 Recommended**

DESCRIPTION	2023-24 Adjusted @ 6/30/24	2024-25 Adjusted @ 6/30/25	2025-26 Adjusted @ 4/16/26	2026-27 Recommended Appropriations
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**OPERATING APPROPRIATIONS**

**SALARIES AND BENEFITS**

Regular Salaries	\$ 34,617,188	\$ 37,397,251	\$ 39,141,905	\$ 41,580,118
Temporary Help	2,017,740	2,100,314	1,843,825	878,263
On Call Pay	119,083	126,518	133,677	141,072
Overtime	531,659	558,242	572,274	499,348
Unemployment	69,185	76,082	81,362	86,191
Retirement	16,137,442	24,154,628	18,802,965	18,468,632
OASDI	663,657	710,099	723,432	685,217
Workers Compensation	362,240	384,795	470,844	434,851
Cafeteria Plan Benefits	4,043,009	4,553,989	4,701,789	4,730,589
Long-Term Disability Insurance	95,863	93,821	102,570	105,656
Alternate Transportation Incentive	298,740	304,980	301,080	302,640
<b>TOTAL SALARIES AND BENEFITS</b>	\$ 58,955,806	\$ 70,460,719	\$ 66,875,723	\$ 67,912,577

**SERVICES AND SUPPLIES**

Safety Supplies & Equipment	\$ 51,594	\$ 45,014	\$ 51,754	\$ 51,164
Mobile Communications	207,780	187,500	180,552	186,096
Telephone Charges	178,050	77,150	64,900	66,050
Insurance	907,400	1,019,300	1,143,400	1,247,700
Equipment Maintenance	301,270	319,650	203,050	204,450
Vehicle Maintenance & Operations	306,400	278,000	304,100	255,200
Computer Maintenance	1,084,475	1,049,437	1,607,060	1,601,142
Video Conferencing Maintenance & Operations	132,940	128,800	101,800	103,500
Building Maintenance & Operations	367,600	400,800	386,700	356,000
Office Supplies	42,734	42,798	46,998	34,298
Computer Software & Supplies	238,266	347,580	291,965	311,385
Monitoring Station Supplies & Equipment	1,529,728	1,434,728	1,089,608	688,501
Postage	87,100	93,000	102,400	127,300
Printing	167,500	159,575	159,030	158,970
Professional & Specialized Services	2,757,682	2,944,515	2,183,935	2,180,706
Publications & Legal Notices	81,785	102,371	96,163	89,563
Rents & Leases	187,850	140,161	144,839	179,385
Small Tools & Equipment	68,641	69,060	59,660	60,460
Special District Expense	192,683	196,750	247,760	280,787
Travel & Training	266,886	266,885	287,807	284,892
Travel & Training - Boards	67,686	68,752	66,913	98,897
Utilities	448,600	489,100	593,300	611,400
Audit Services	25,000	30,000	37,000	38,000
Legal Services	270,400	342,400	342,400	342,400
<b>TOTAL SERVICES AND SUPPLIES</b>	\$ 9,970,050	\$ 10,233,326	\$ 9,793,094	\$ 9,558,246

**FIXED ASSETS**

Office Improvements	\$ 115,000	\$ 100,000	\$ 100,000	\$ 50,000
Facilities & Equipment	260,000	505,000	386,000	80,000
Computer Equipment	1,164,131	1,646,231	599,596	597,596
Office Furniture & Equipment	32,600	33,000	36,400	36,400
Office Machines	31,120	10,000	10,000	12,674
Telephone Systems	23,450	13,700	10,300	11,300
Detection Equipment	40,000	50,300	75,500	167,000
Automobiles	706,100	703,000	703,000	300,000
Air Monitoring Automation/Remote Control Project	11,000	11,000	11,000	11,000
Video Conferencing System	70,000	70,000	10,000	10,000
Air Monitoring Station Equipment	1,483,400	2,237,288	954,800	631,000
Air Monitoring Near Roadway Stations	-	-	-	-
<b>TOTAL FIXED ASSETS</b>	\$ 3,936,801	\$ 5,379,519	\$ 2,896,596	\$ 1,906,970

**TOTAL OPERATING APPROPRIATIONS**

	\$ 72,862,657	\$ 86,073,564	\$ 79,565,413	\$ 79,377,793
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**SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT**  
**Budget Comparison**  
**Total District**  
**Prior 3 Years and 2026-27 Recommended**

DESCRIPTION	2023-24 Adjusted @ 6/30/24	2024-25 Adjusted @ 6/30/25	2025-26 Adjusted @ 4/16/26	2026-27 Recommended Appropriations
<b>NON-OPERATING APPROPRIATIONS</b>				
<b>OTHER CHARGES</b>				
Air Toxic Pass Through	\$ 232,400	\$ 117,200	\$ 70,600	\$ 263,800
Dairy CEQA Pass Through	-	-	-	-
<b>TOTAL OTHER CHARGES</b>	<b>\$ 232,400</b>	<b>\$ 117,200</b>	<b>\$ 70,600</b>	<b>\$ 263,800</b>
<b>INCENTIVE PROGRAMS</b>				
DMV Surcharge Fees - Incentives	\$ 76,312,600	\$ 62,026,000	\$ 59,506,700	\$ 58,558,100
Carl Moyer Program	45,063,500	56,379,700	31,877,844	42,770,800
ISR and VERA's	40,618,000	21,393,600	22,875,500	26,214,200
Proposition 1B Funding Program	6,486,500	5,762,300	5,981,300	3,570,800
Federal DERA/Designated Funding Programs	71,922,724	99,286,955	53,087,492	15,875,467
Community Incentives	18,114,900	13,415,800	10,911,600	20,332,500
Miscellaneous Incentive Programs	64,400	42,300	94,600	241,200
CEC Grants	9,798,900	-	-	559,500
State Cap & Trade Funding	515,926,295	344,920,200	228,440,643	110,357,000
Volkswagen Mitigation Funding	65,952,600	36,091,100	28,478,400	32,077,500
<b>TOTAL INCENTIVE PROGRAMS</b>	<b>\$ 850,260,419</b>	<b>\$ 639,317,955</b>	<b>\$ 441,254,079</b>	<b>\$ 310,557,067</b>
Appropriation for Contingencies	\$ 850,000	\$ 221,760	\$ 850,000	\$ 850,000
<b>TOTAL NON-OPERATING APPROPRIATIONS</b>	<b>\$ 851,342,819</b>	<b>\$ 639,656,915</b>	<b>\$ 442,174,679</b>	<b>\$ 311,670,867</b>
<b>TOTAL APPROPRIATIONS</b>				
<b>TOTAL DISTRICT APPROPRIATIONS</b>	<b>\$ 924,205,476</b>	<b>\$ 725,730,479</b>	<b>\$ 521,740,092</b>	<b>\$ 391,048,660</b>



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT®

### **NORTHERN REGION**

Serving San Joaquin, Stanislaus and Merced counties  
4800 Enterprise Way, Modesto, CA 95356-8718  
Tel (209) 557-6400 | Fax (209) 557-6475

### **CENTRAL REGION (MAIN OFFICE)**

Serving Madera, Fresno and Kings counties  
1990 East Gettysburg, Fresno, CA 93726-0244  
Tel (559) 230-6000 | Fax (559) 230-6061

### **SOUTHERN REGION**

Serving Tulare and Valley air basin portion of Kern County  
34946 Flyover Court, Bakersfield, CA 93308-9725  
Tel (661) 392-5500 | Fax (661) 392-5585