



Santa Clara Valley Water District

File No.: 21-0465

Agenda Date: 4/27/2021

Item No.: *3.5.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Recommended Positions on State Legislation: SB 496 (Laird) Flood Control: Water Development Projects: Pajaro River; *AB 905 (Quirk) Mobile Fueling On-Demand Tank Vehicles: Performance Standards; *AB 959 (Mullin) Park Districts: Regulations: Nuisances: Abatement; *AB 1500 (E. Garcia) The Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022; *SB 45 (Portantino) The Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022; *AB 1110 (R. Rivas) Zero-Emission Vehicles: California Clean Fleet Accelerator Program: Climate Catalyst Revolving Loan Fund Program; *SB 372 (Leyva) Medium- and Heavy-Duty Fleet Purchasing Assistance Program: Zero-Emission Vehicles; and Other Legislation Which May Need Attention of The Board

RECOMMENDATION:

- A. Adopt a Position of "Support" on: SB 496 (Laird) Flood control: water development projects: Pajaro River.
- B. *Adopt a Position of "Support" on: AB 905 (Quirk) Mobile fueling on-demand tank vehicles: performance standards.
- C. *Adopt a Position of "Support" on: AB 959 (Mullin) Park districts: regulations: nuisances: abatement.
- D. *Adopt a Position of "Support and Amend" on: AB 1500 (E. Garcia) the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.
- E. *Adopt a Position of "Support and Amend" on: SB 45 (Portantino) the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.
- F. *Adopt a Position of "Support" on: AB 1110 (R. Rivas) Zero-emission vehicles: California Clean Fleet Accelerator Program: Climate Catalyst Revolving Loan Fund Program.
- G. *Adopt a Position of "Support" on: SB 372 (Leyva) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles.

SUMMARY:

SB 496 (Laird) Flood control: water development projects: Pajaro River (03-05-2021)

Position Recommendation: Support

Priority: 3

Under the State Water Resources Law of 1945, the State Flood Control Subventions Program provides for state cooperation with the federal government in the construction of specified flood control projects. For projects authorized on or after January 1, 2002, or for which specified findings have been made on or after that date, existing law requires the state to pay 50% of specified nonfederal costs. Current law authorizes the state to pay up to 70% of those nonfederal costs upon the recommendation of the Department of Water Resources or the Central Valley Flood Protection Board if either entity determines that the project benefits a disadvantaged area, or the project provides habitat, open space, or recreational benefits.

SB 496 would authorize the state to provide up to 100% of the specified nonfederal costs to the Counties of Monterey and Santa Cruz, or to local agencies in those counties, for the Pajaro River Flood Risk Management Project in the Counties of Monterey and Santa Cruz.

Importance to Valley Water

The successful construction of the Pajaro River Flood Risk Management Project is of interest to Valley Water because of the protections it would provide to communities immediately downstream of the Uvas-Llagas watershed in Santa Clara County that drain into the Pajaro River. As Valley Water continues to address the flood protection in the communities of Morgan Hill and Gilroy, the existing Soap Lake natural detention floodplain south of Gilroy will absorb the potential increase from upstream stormwater flows with negligible effects on the Pajaro River downstream.

Valley Water is also a member of the Pajaro River Watershed Flood Prevention Authority established in July 2000 by State Assembly Bill 807 to “identify, evaluate, fund, and implement flood prevention and control strategies in the Pajaro River Watershed, on an intergovernmental basis.” The watershed covers areas of four counties and four water districts, and the Board is comprised of one representative from each. In addition to Valley Water, member agencies include the Counties of Monterey, San Benito, Santa Clara, and Santa Cruz, and the Monterey County Water Resources Agency, San Benito County Water District, and the Santa Cruz County Flood Control and Water Conservation District, Zone 7.

The Pajaro River has a history of flooding, with the latest flood event occurring in 1995, causing over \$95 million in damages. Current flood control projects in the area are estimated to only provide a 5-year protection, meaning on average large rain events within those years may cause flooding.

In 1966, federal legislation authorized the Pajaro River Flood Risk Reduction Project (Project) which the local flood protection agency sponsors have been working to advance with the US Army Corps of Engineers.

The Santa Cruz County Flood Control and Water Conservation District, Zone 7 sponsored AB 489 (Chapter 350, Statutes of 2019) which was signed into law, to authorize the state to make funds available to plan, engineer, design, and construct the Project in the absence of federal funding.

The Project would increase flood protection for the communities to a once in 100-year storm level. The Project includes flood protection for major state highways, including SR 129, SR 152, and SR 1. In addition, the project would aim to decrease maintenance requirements, improve habitat for endangered species, and increase groundwater recharge to improve local water supplies.

Staff does not recommend pursuing an amendment to add Valley Water projects to SB 496. The Project in this legislation seeking increased reimbursements serves several disadvantaged communities that have faced difficulties for decades in generating sufficient funding for implementation. While Valley Water could benefit from 100% reimbursement rate, we do not have the same circumstances, and adding Valley Water projects to the bill would likely create opposition.

Pros

- Increases state funding for a project of importance to Valley Water and to our neighboring jurisdictions.
- Addresses a funding shortfall for a project that benefits a financially disadvantaged community.

Cons

- State Flood Control Subventions funding only provides the state's cost share, a small portion of the funding needed.
- This bill may set a precedent that could be used to enact other bills that would provide 100 percent state funding for qualified project costs of other projects, thereby putting cost pressure on State Flood Control Subventions Fund on which Valley Water also depends for funding.

***AB 905: Mobile fueling on-demand tank vehicles: performance standards. (I-2/17/2021)**

Position Recommendation: Support

Priority Recommendation: 3

AB 905 would require the California Air Resources Board (ARB) to adopt new regulations on mobile on-demand tank vehicles, which are defined as tank trucks or trailers equipped with a tank system designed to transfer gasoline into a motor vehicle fuel tank. This is highly relevant to the mobile fueling on-demand industry where tank trucks deliver gasoline directly to customer vehicles. The bill requires the ARB to adopt vapor emission standards and to implement testing procedures for such tank vehicles. The bill also requires vehicles to be certified annually with a reasonable fee being charged for each certification. Any tank vehicle unable to meet the ARB's requirements for certification would be prohibited from operating.

Importance to Valley Water

Valley Water is committed to protecting the environment and the growing mobile fueling on-demand industry is safer, healthier, and more accessible than conventional gas stations. At gas stations, leaks

from underground fuel storage tanks and self-service customer gasoline spills often lead to the contamination of stormwater, underlying soil, and groundwater. If properly regulated, mobile fueling presents an opportunity to reduce the environmental and water quality impacts of gasoline fueling.

Operators of mobile on-demand tank vehicles should be trained with best practices, such as proper operation of vapor capture devices, use of absorbent spill pads to prevent spills on the ground, and other procedures for the safe handling of gasoline. Mobile fueling also works to reduce vehicle miles traveled, thereby reducing greenhouse gas emissions.

Currently, mobile fueling operators have overlapping regulations by multiple entities, creating inconsistent controls to maximize the environment opportunities of mobile fueling. AB 905 streamlines regulations for the mobile fueling industry by giving the ARB central authority over emissions standards, best practices, and certification. With a single state regulatory entity, the industry can operate more efficiently and deliver the environmental and water quality opportunities made possible by a properly regulated mobile fueling industry.

Staff recommends a position of “Support” on AB 905.

Pros

- Would centralize and streamline the regulations governing the mobile fueling industry by allowing the ARB to set statewide regulations, emission standards, and test procedures for mobile on-demand tank vehicles.
- Would reduce contamination of stormwater, soil, and groundwater due to gasoline leaks and spills.
- Would make refueling more accessible to drivers with disabilities by the potentially expanded service.

Cons

- Potential for regulatory overreach by the ARB could put some operators out of business.

***AB 959 (Mullin) Park districts: regulations: nuisances: abatement.**

Position Recommendation: Support

Priority Recommendation: 3

AB 959 would give specific independent park districts the authority to utilize administrative abatement for the removal of public nuisances. Park districts maintain parks and open spaces, and frequently encounter public nuisances such as illegal water diversion, illegal dumping and grading, and illegal streambed alteration. Administrative abatement is considered the favored method for resolving such nuisances because it provides all parties with due process while being less costly and time-consuming than court proceedings. Under current law, this abatement power is unavailable to independent park districts. AB 959 would change this and give these park districts the ability to declare what constitutes a public nuisance, the authority to abate those nuisances, and the ability to recover costs incurred during abatement.

AB 959 applies only to independent park districts, other parks enabled under the Public Resources Code Section 5500 may already utilize county power of nuisance abatement. In Santa Clara County, the bill would apply to the Midpeninsula Regional Open Space District. Other independent park districts the bill would apply

to include, East Bay Regional Park District, Monterey Peninsula Regional Park District, and Napa County Regional Park and Open Space District.

Importance to Valley Water

Park districts play a critical role in preserving the environment and any public nuisances occurring on their lands could directly impact the waters, creeks, and rivers managed by Valley Water. Harmful waste from illegal dumping and disrupted ecosystems from illegal streambed alteration are just two of many ways in which a public nuisance can have negative downstream effects. If park districts are granted the authority, they need to better protect their lands, it would assist Valley Water in carrying out our own mission.

Staff recommends a position of “Support” on AB 959.

Pros

- Makes it easier for park districts to remove public nuisances and to protect public lands and parks.
- Allows park districts to resolve nuisances on their own, which reduces the financial and time costs incurred from seeking remedies through a city or county district attorney.

Cons

- None identified at this time.

*** AB 1500 (E. Garcia) the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.**

Position Recommendation: Support and Amend

Priority Recommendation: 2

The Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022 would place an initiative before the California voters on the November 2022 ballot to approve \$6.7 billion in general obligation bonds to finance the programs and projects identified in the measure. The table below lays out the amounts allocated for specific categories of programs and projects within the measure:

Chapter Totals		
Chapter 2.	\$1.1 Billion	Wildfire Prevention, Clin Against Power Shutoffs
Chapter 3.	\$1.2 Billion	Protecting Coastal Land Rise and Other Climate
Chapter 4.	\$1.6 Billion	Ensuring Safe Drinking Enhancing the State’s F
Chapter 5.	\$800 Million	Protecting Fish, Wildlife, Risks

Chapter 6.	\$300 Million	Protecting Farms, Ranches, and Impacts of Climate Change
Chapter 7.	\$640 Million	Responding to Extreme Weather
Chapter 8.	\$1.06 Billion	Strengthening California's Infrastructure
Total	\$6,700,000,000	

Importance to Valley Water

AB 1500 provides several opportunities for funding through various grant programs that address sea level rise, climate change impacts, water supply, and flood protection.

Valley Water staff has been working with several coalitions including the Association of California Water Agencies, Together Bay Area, the Bay Area Council, the Dam Safety Coalition, and others in efforts to advocate for shared funding priorities and to add Valley Water’s priorities to this bond legislation or any other potential bond vehicle.

Below is a list of the funding in each chapter of AB 1500 which may provide direct or indirect benefits or funding opportunities for Valley Water.

Chapter 2: Wildfire Prevention, Climate Risk Reduction, and Protection Against Power Shutoffs (\$1.1 billion)

- \$300 million for pre-hazard mitigation program - Office of Emergency Services (OES)
- \$500 million for forest resilience and wildfire risk reduction - Natural Resources Agency
 - \$150 million for Regional Forest and Fire Capacity Program
 - \$150 million for long-term forest health - Cal Fire
 - \$150 million for watershed improvements that use prescribed fire
- \$150 million to cities, counties, districts, and regional park entities to improve climate resilience - Natural Resources Agency
- \$50 million for workforce development programs that improve climate resilience - California Conservation Corps and local corps

Chapter 3: Protecting Coastal Lands, Bays, and Oceans from Sea Level Rise and Other Climate Risks (\$1.2 billion)

- \$1 billion for coastal resilience - State Coastal Conservancy
 - \$300 million for San Francisco Bay Restoration Authority
 - \$10 million to San Francisco Bay Area Conservancy Program
 - \$100 million for natural infrastructure projects
 - \$65 million for dam removal
- \$30 million for coastal planning - Coastal Commission
- \$20 million for coastal planning - San Francisco Bay Conservation and Development Commission
- \$80 million for California Ocean Protection Trust Fund - Ocean Protection Council
- \$20 million CO2 sequestration in ocean ecosystems - Ocean Protection Council

Chapter 4: Ensuring Safe Drinking Water, Drought Preparation, and Enhancing the State's Flood Protection (\$1.6 billion)

- \$250 million for implementation of the Sustainable Groundwater Management Act (65% in critically overdrafted basins) - Department of Water Resources (DWR)
- \$300 million for safe drinking water - State Water Resources Control Board (State Water Board)
 - \$30 million for drought contingency plans
- \$100 million for cleaning up contaminated groundwater or surface water supplies that are drinking water sources - State Water Board
- \$400 million for restoration of rivers, lakes, streams to improve water quality or water supply - Natural Resources Agency
- \$200 million for multi-benefit flood protection projects - DWR
 - \$50 million for coastal urban watersheds
 - \$50 million for Delta levees
- \$300 million for water recycling projects - State Water Board

Chapter 5: Protecting Fish, Wildlife, and Natural Areas from Climate Risks (\$800 million)

- \$400 million to Wildlife Conservation Board (WCB)
- \$50 million for groundwater projects that provide wildlife habitat - WCB
- \$50 million for fish and wildlife habitat - California Department of Fish and Wildlife (CDFW)

Chapter 6: Protecting Farms, Ranches, and Working Lands from the Impacts of Climate Change (\$300 million)

- \$150 million to California Department of Food and Agriculture (CDFA)
 - \$50 million for climate practices on farms and ranches, including those that promote soil health, carbon sequestration, air/water quality, groundwater recharge/surface water, fish/wildlife habitat
 - \$40 million for on-farm water efficiency

Chapter 7: Responding to Extreme Heat (\$640 million)

- \$75 million for urban greening that benefits vulnerable populations - Natural Resources Agency
- \$75 million for urban forestry - Cal Fire

Chapter 8: Strengthening California's Regional Climate Resilience (\$1.06 billion)

- \$850 million to address impacts of climate change to communities - Strategic Growth Council (SGC)
- \$100 million for Transformative Climate Communities program - SGC
- \$50 million for community resilience centers - Office of Emergency Services
- \$60 million to upgrade fairgrounds for disaster staging/evacuation centers - CDFA

Staff recommends that the Board adopt a position of "Support and Amend" on AB 1500.

Proposed Amendments

Staff recommends amending the bill to include the following funding priorities:

- Retrofit or replacement of seismically restricted dams.
- Recycled water, with priority given to projects that implement Direct Potable Reuse.
- Modernization of Water Conveyance.
- Increasing the San Francisco Bay Restoration Authority funding to match the \$500 million raised locally through Measure AA.
- State Flood Control Subventions Program.
- Coastal Watershed Flood Protection Program.
- San Francisco Bay Region - Integrated Regional Water Management Program
- Sustainable Groundwater Management Funding structured to enable Valley Water implementation efforts to qualify.
- Or other funding that may benefit Valley Water projects and programs.

Pros

- Provides economic stimulus to assist communities with job creation to make up jobs lost during the pandemic.
- Provides potential funding opportunities for numerous Valley Water programs including drinking water, flood control, coastal protection, and environmental restoration and protection.
- Provides funding to improve access to the outdoors and parks.
- Provides funding for communities that lack safe drinking water.
- Provides funding for projects that assist with climate resilience.
- Provides funding to address forest fire risks that damage the watersheds.

Cons

- Does not include, or funds insufficiently, several Valley Water priorities, including dam safety, recycled water, the San Francisco Bay Restoration Authority, State Flood Subventions, and the Integrated Regional Water Management Program.
- A large percent of the sustainable groundwater management implementation funding is dedicated to critically overdrafted basins, meaning Valley Water would be unable to access that funding, as our basins are not critically overdrafted.

- The coastal flood protection funding is modest considering statewide and local needs.

***SB 45: Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022**

Position Recommendation: Support and Amend

Priority Recommendation: 2

The Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022 would place an initiative before the California voters on the November 2022 ballot to approve \$5.51 billion in general obligation bonds to finance the programs and projects identified in the measure. The table below lays out the amounts allocated for specific categories of programs and projects within the measure:

Chapter Totals		
Chapter 2.	\$2.2 Billion	Wildfire Prevention and Impacts
Chapter 3.	\$1.47 Billion	Ensuring Safe Drinking and Water Quality from
Chapter 4.	\$620 Million	Protecting Fish and Wild
Chapter 5.	\$190 Million	Protecting Agricultural L
Chapter 6.	\$970 Million	Protecting Coastal Land Risks
Chapter 7.	\$60 Million	Climate Resilience, Wor
Total	\$5,510,000,000	

Importance to Valley Water

SB 45 provides several opportunities for funding through various grant programs that address sea level rise, climate change impacts, water supply, and flood protection.

Just like with AB 1500 (E. Garcia) above, Valley Water staff has been working with several coalitions on SB 45 including the Association of California Water Agencies, Together Bay Area, the Bay Area Council, the Dam Safety Coalition, and others in efforts to advocate for shared funding priorities and to add Valley Water priorities to this bond legislation or any other potential bond vehicle.

Below is a list of the funding in each chapter of SB 45 which may provide direct or indirect benefits or funding opportunities for Valley Water.

Chapter 2: Wildfire Prevention and Community Resilience from Climate Impacts (\$2.2 billion)

- \$175 million to the Office of Emergency Services (OES), for a pre-hazard mitigation grant program.
- \$280 million to the Natural Resources Agency (NRA) for wildfire reduction projects.

- \$300 million to NRA for restoring watersheds, reducing the conditions that lead to catastrophic wildfire, and protecting natural resources.
- \$225 million to NRA to protect, restore, and improve forests.
- \$240 million to the Strategic Growth Council (SGC) to fund the development and implementation of regional and subregional climate metrics and strategies to improve the resilience of local communities.
 - \$40 million for grants to develop or update general plans and zoning ordinances to facilitate investment in projects that address flood and fire resilience, sea level rise, climate adaptation, and environmental justice objectives.
 - \$ 20 million regional climate collaborative program.
 - \$130 million Transformative Climate Communities Program for projects that address wildfire, flood, drought, heat, air pollution, and other climate risks; and
 - \$10 million for impervious pavements, rain gardens, and other low-impact pavement materials.

Chapter 3. Ensuring Safe Drinking Water and Protecting Water Supply and Water Quality from Climate Risks provides \$1.47 billion for the protection of California’s water supply and water quality, as follows:

- \$190 million for grants to provide safe drinking water, protect drinking water sources, and promote public health.
- \$200 million - Wildlife Conservation Board (WCB), for groundwater sustainability projects that provide wildlife habitat and support implementation of the Sustainable Groundwater Management Act (SGMA).
- \$130 million - Department of Water Resources (DWR) for groundwater plans and projects in accordance with SGMA.
- \$250 million to NRA for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, water quality, and other benefits.
 - \$65 million for multi-benefit river projects that protect and restore riparian habitats, improve climate resilience, enhance natural drainages, protect and restore watersheds, improve water supply resilience, improve instream flow, or provide public access.
- \$240 million to NRA to protect and restore urban streams and river parkways to improve climate resilience, water supplies, water quality, and other benefits.
 - \$70 million for the Urban Streams Restoration Program
- \$140 million to NRA for flood management projects
 - \$50 M for multi-benefit flood management projects in urban coastal watersheds.
- \$100 million State Water Board for recycled water projects.
- \$90 million to DWR for projects that improve water data collection, monitoring, and management.
- \$100 million to NRA for implementation of the settlement agreement to restore the San Joaquin River
- \$30 million to DWR for water infrastructure upgrades to increase climate resilience, improve wildlife and fish passage, and modernize water infrastructure.

Chapter 4. Protecting Fish and Wildlife from Climate Risks provides \$620 million to protect and improve the resilience of California’s fish and wildlife to climate change, as follows:

- \$600 million to WCB for the protection of California’s fish and wildlife resources
- \$20 million to Department of Fish and Wildlife (DFW) to improve the climate resilience of fish and wildlife habitat.

Chapter 5. Protecting Agricultural Lands from Climate Risks provides \$190 million for

agricultural resiliency projects, as follows:

- \$100 million to the Department of Food and Agriculture (DFA) to improve the climate resilience of agricultural lands and ecosystem health.
- \$90 million to the Department of Conservation (DOC) to protect and restore farmland and rangelands, including the acquisition of fee title or easements, that improve climate resilience and provide multiple benefits.

Chapter 6. Protecting Coastal Lands, Bays, and Oceans from Climate Risks provides \$970 million for the protection and restoration of coastal and ocean resources from the impacts of sea level rise, ocean acidification, and other impacts of climate change, as follows.

- \$100 million to the State Coastal Conservancy for projects that are consistent with the San Francisco Bay Restoration Authority Act.
- \$700 million to the State Coastal Conservancy.
 - \$30 M to restore and protect coastal habitat, dunes, wetlands, uplands, estuary conditions, or forest habitat.
- \$50 million to the California Ocean Protection Trust Fund for grants to increase resilience from the impacts of climate change.
- \$100 million to the State Coastal Conservancy for grants to remove or upgrade outdated or obsolete dams and water infrastructure.

Chapter 7. Climate Resilience, Workforce Development, and Education

- \$60 million for climate resilience and natural disaster prevention and restoration projects and programs that promote workforce development, disaster volunteering and preparedness, education, and career pathway opportunities.

Staff recommends that the Board adopt a position of “Support and Amend” on SB 45.

Proposed Amendments

Staff recommends amending the bill to include the following funding priorities:

- Retrofit or replacement of seismically restricted dams.
- Recycled water, with priority given to projects that implement Direct Potable Reuse.
- Modernization of Water Conveyance.
- Increasing San Francisco Bay Restoration Authority funding to match the \$500 million raised locally through Measure AA.
- State Flood Control Subventions Program.
- Coastal Watershed Flood Protection Program.
- San Francisco Bay Region - Integrated Regional Water Management Program
- Sustainable Groundwater Management Funding structured to enable Valley Water implementation efforts to qualify.

- Or other funding that may benefit Valley Water projects and programs.

Pros

- Provides economic stimulus to assist communities with job creation to make up jobs lost during the pandemic.
- Provides potential funding opportunities for numerous Valley Water programs including drinking water, flood control, coastal protection, and environmental restoration and protection.
- Provides funding to improve access to the outdoors and parks.
- Provides funding for communities that lack safe drinking water.
- Provides funding for projects that assist with climate resilience.
- Provides funding to address forest fire risks that damage the watersheds.

Cons

- Does not include, or funds insufficiently, several Valley Water priorities, including dam safety, recycled water, the San Francisco Bay Restoration Authority, State Flood Subventions, and the Integrated Regional Water Management Program.
- The coastal flood protection funding is modest considering statewide and local needs.

***AB 1110 (R. Rivas) Zero-emission vehicles: California Clean Fleet Accelerator Program: Climate Catalyst Revolving Loan Fund Program. (A-3/23/21)**

Position Recommendation: Support

Priority Recommendation: 3

AB 1110 would provide options for low-cost procurement of zero-emission vehicles (ZEV) by public agencies by providing bulk purchase options and making ZEV procurement eligible for existing financial assistance through the Climate Catalyst Revolving Loan Fund Program. The bill would establish in the California Department of General Services the California Clean Fleet Accelerator Program, which would develop a nonmandatory master service agreement to solicit bids from eligible vendors for standardized, bulk purchase options for ZEV acquisition. The program would establish standard pricing for bulk purchases of ZEVs, taking into consideration applicable financial incentives and low-cost financing options. The bill further would require the first round of zero-emission fleet vehicle acquisitions under the master service agreement no later than January 31, 2022, or otherwise as soon thereafter as is reasonably practicable. The bill would establish the Office of the Clean Vehicles Ombudsperson in the Governor's Office of Economic and Business Development to provide technical assistance to public agencies in the procurement of ZEV fleets.

Importance to Valley Water

Valley Water seeks to reduce greenhouse gas and other emissions from its operations. Upgrading our vehicle fleet to emit zero emissions would reduce air pollution in the communities we serve while also

addressing climate changing greenhouse gas emissions.

On September 23, 2020, Governor Newsom signed Executive Order N-79-20 which sets a goal that 100 percent of California sales of new passenger car and trucks be zero-emission by 2035. As state regulators push vehicle manufacturers toward ZEVs, procurement of fleet vehicles could become more complicated and more expensive. Valley Water may benefit from participating in the bulk purchasing and financing mechanisms proposed by AB 1110.

Staff recommends a position of “Support” on AB 1110.

Pros

- Could make it easier for Valley Water to expand its ZEV fleet by providing bulk purchasing, technical assistance, and financing options.
- Could increase the pace of ZEV adoption and help meet California’s and Valley Water’s climate goals.

Cons

- None

***SB 372 (Leyva) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles. (A-4/13/21)**

Position Recommendation: Support

Priority Recommendation: 3

SB 372 would require the California Pollution Control Financing Authority (CPCFA) to establish a program to make financing tools and nonfinancial supports (such as technical assistance) available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles (ZEVs). The bill would give priority to agencies with fleets serving underserved communities, as well as port and drayage vehicles.

On September 23, 2020, Governor Newsom signed Executive Order N-79-20 which sets a goal that 100 percent of California sales of new passenger car and trucks be zero-emission by 2035. The order also sets a goal to transition all drayage trucks to zero-emission by 2035, all off-road equipment to zero-emission where feasible by 2035, and the remainder of medium- and heavy-duty vehicles to zero-emission where feasible by 2045. The California Air Resources Board (ARB) is tasked to develop regulations to achieve these goals while considering technological feasibility and costs.

On June 26, 2020, the ARB adopted the Advanced Clean Truck rule, requiring medium- and heavy-duty truck manufacturers to phase in ZEVs. Beginning in 2024, ARB will require manufacturers’ new truck sales in this state to be comprised of a defined percentage of ZEVs. For example, 9 percent of the largest classes of trucks in model year 2024 must be zero-emission and that percentage must increase to 75 percent by 2035.

Importance to Valley Water

Valley Water seeks to reduce greenhouse gas and other emissions from its operations. Upgrading our vehicle fleet to emit zero emissions would reduce air pollution in the communities we serve while also addressing climate changing greenhouse gas emissions. As state regulators push vehicle manufacturers toward ZEVs, procurement of medium- and heavy-duty vehicles could become more

complicated and more expensive. Valley Water may benefit from participating in the financing and technical support proposed by SB 372.

Staff recommends a position of “Support” on SB 372.

Pros

- Could make it easier for Valley Water to procure medium- and heavy-duty ZEVs by providing financing and technical assistance.
- Could increase the pace of ZEV adoption and help meet California’s and Valley Water’s climate goals.

Cons

- None

FINANCIAL IMPACT:

There is no financial impact associated with these items.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

*Original Agenda Memorandum

*Supplemental Agenda Memorandum

UNCLASSIFIED MANAGER:

Donald Rocha, 408-355-4196