



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

**BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING**

COMMITTEE MEMBERS

**TOM BATES – CHAIRPERSON
JOHN AVALOS
JENNIFER HOSTERMAN
ASH KALRA**

**SUSAN GARNER –VICE CHAIRPERSON
SCOTT HAGGERTY
DAVID HUDSON
NATE MILEY
MAYOR LEE**

**MONDAY
DECEMBER 3, 2012
10:30 A.M.**

**4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. CALL TO ORDER - ROLL CALL

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. APPROVAL OF MINUTES OF MARCH 21, 2012

4. REVIEW OF 2012 LEGISLATIVE YEAR

**T. Addison/5109
taddison@baaqmd.gov**

The Committee will discuss and review the 2012 legislative year.

5. POTENTIAL LEGISLATIVE AGENDA FOR 2013

**T. Addison/5109
taddison@baaqmd.gov**

The Committee will discuss and review potential legislative agenda for 2013.

6. COMMITTEE MEMBERS' COMMENTS/OTHER BUSINESS

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR

8. ADJOURNMENT

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-5130
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities (notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly).
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94941, at the time such writing is made available to all, or a majority of all members of that body. Such writing may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-4963

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

DECEMBER 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source Committee <i>(Rescheduled from November 2012)</i>	Monday	3	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Monday	3	10:30 a.m.	4 th Floor Conf. Room
Special Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	5	9:45 a.m.	390 Main Street, 6th Floor San Francisco, CA
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	17	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday of each Month) - CANCELLED</i>	Wednesday	26	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday of each Month) - CANCELLED</i>	Thursday	27	9:30 a.m.	4 th Floor Conf. Room

JANUARY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month) - CANCELLED</i>	Wednesday	2	9:45 a.m.	Board Room
Advisory Council Regular Meeting/Retreat <i>(Meets 2nd Wednesday of each Month)</i>	Wednesday	9	9:00 a.m.	Board Room
Special Board of Directors Meeting/Retreat <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	San Jose City Hall 200 East Santa Clara Street San Jose, CA 95113

JANUARY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets the 3rd Monday of Every Other Month)</i>	Monday	21	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday of each Month)</i>	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

MM – 11/28/12 (4:43 p.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 26, 2012

Re: Legislative Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Legislative Committee meeting of March 21, 2012.

DISCUSSION

Attached for your review and approval are the draft minutes of the March 21, 2012, Legislative Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Ana Sandoval

Attachments

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
9:00 a.m., Wednesday, March 21, 2012

1. Call to Order – Roll Call

Committee Chairperson Tom Bates called the meeting to order at 9:09 a.m.

Present: Committee Chairperson Tom Bates; and Directors John Avalos, Jennifer Hosterman, David Hudson and Ash Kalra.

Absent: Vice Chairperson Susan Garner; and Directors Scott Haggerty and Nate Miley.

Also Present: Board Chairperson John Gioia.

2. Public Comment Period: None.

3. Consideration of New Bills

NOTED PRESENT: Director Avalos was noted present at 9:11 a.m.

Thomas Addison, Senior Advanced Projects Advisor, gave the staff presentation regarding Consideration of New Bills, including a list of bills with potential air quality implications, with special attention paid to Assembly Bill (AB) 1537 – Cook, AB 1613 – Donnelly, AB 1721 – Donnelly, AB 1922 – Lara, AB 2024 – Mendoza, AB 2091 – B. Berryhill, AB 2234 – Hill, AB 2289 – Jeffries, AB 2605 – Cedillo, AB 2644 – Butler, Senate Bill (SB) 878 – DeSaulnier, SB 1127 – Vargas, SB 1224 – La Malfa, SB 1230 – Runner, SB 1339 – Yee and SB 1545 – DeSaulnier.

NOTED PRESENT: Director Kalra was noted present at 9:14 a.m.

Director Hosterman asked about the effect of AB 1721 (Donnelly). Brian Bunker, District Counsel, responded that the bill could prevent fines imposed for even significant violations that affect the health of thousands of people. Director Hudson expressed concerns about the bill.

Directors Hosterman and Kalra asked questions about AB 1922 (Lara), which would modify the heavy-duty vehicle periodic smoke inspection program, which Mr. Addison answered. Director Hudson expressed opposition to AB 2091 (B. Berryhill).

Committee Chairperson Bates, Director Hosterman, and Director Hudson asked questions about AB 2173 (Skinner), which changes current statutory requirements for a regional gas tax. Mr. Addison answered the questions. After discussion, the Committee directed staff to watch the bill. Director Hudson and Director Kalra asked about and discussed AB 2234 (Hill), Mr. Addison responded to their questions.

NOTED PRESENT: Chairperson Gioia was noted present at 9:31 a.m.

Directors Kalra, Hudson, and Bates discussed AB 2605 (Cedillo), which would allow city attorneys to enforce stationary source air quality requirements. After discussion with Mr. Bunger and Mr. Addison, the committee suggested an ‘oppose unless amended’ position.

The Committee discussed the previously decided watch position on SB 878 (DeSaulnier). Jack Broadbent, Executive Officer/Air Pollution Control Officer, gave the staff presentation regarding SB 1545 (DeSaulnier). Committee Chairperson Bates and Chairperson Gioia expressed opposition to the bill, but support for transparency and accountability in regional government. After substantial discussion and consideration of an oppose unless amended position, the Committee suggested an oppose position.

Committee Comments: None.

Public Comments: None.

Committee Action: Director Hudson made a motion, seconded by Director Kalra and carried unanimously without objection, to recommend the Board of Directors take the following positions on the following bills:

Oppose: AB 1537 – Cook, AB 1613 – Donnelly, AB 1721 – Donnelly, AB 1922 – Lara, AB 2024 – Mendoza, AB 2091 – B. Berryhill, SB 1127 – Vargas, SB 1224 – La Malfa, SB 1230 – Runner, SB 1545 – DeSaulnier, and any efforts to increase vehicles exempted from smog check, including kit cars;

Oppose unless amended: AB 2605 – Cedillo;

Support: AB 2234 – Hill and AB 2644 – Butler; and

Watch: AB 2173 Skinner.

4. Approval of Minutes of January 30, 2012

Committee Action: Director Hudson made a motion to approve the Minutes of January 30, 2012; Director Hosterman seconded. The motion was carried unanimously without objection.

5. Committee Member Comments/Other Business: None.

6. Time and Place of Next Meeting: At the Call of the Chairperson.

7. **Adjournment:** The meeting adjourned at 9:49 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 26, 2012

Re: Review of the 2012 Legislative Year

RECOMMENDED ACTION:

None; informational item.

BACKGROUND

The California Legislature concluded its 2011-2012 session on August 31, 2012, and the Governor concluded his work signing and vetoing the measures the Legislature sent him on September 30, 2012. Now that the dust has settled, here is a summary of how air quality legislation fared this past year.

DISCUSSION

The Air District had two primary legislative goals for 2012: to minimize budgetary cuts from the State, and to pass our transit commute benefits requirement (SB 1339, authored by Senator Leland Yee). We achieved both goals. Despite the substantial budget cuts made to a host of state programs by the Legislature and the Governor, the District was unscathed. Given the magnitude of the State's financial troubles, this was a very positive outcome for us.

The Air District sponsored SB 1339 this year. It is similar to last year's SB 582, which was ultimately vetoed by the Governor. SB 1339 allows the Air District and the Metropolitan Transportation Commission to jointly adopt a commute benefit requirement on employers of 50 or more in the Bay Area. Affected employers would choose one of several benefits to offer their employees, including simply allowing interested employees to pay for their own transit or vanpooling with pre-tax dollars.

The bill gives the region a new tool to use to help achieve the greenhouse gas emission reductions mandated by SB 375. It has both environmental and economic benefits. While the bill was opposed by the California Taxpayers Association and the California Manufacturers and Technology Association, we built a broad coalition of supporters, including environmental, business, and other organizations. The bill passed the Legislature with bipartisan support, and was signed by the Governor on September 30, 2012.

Of the additional bills that the Air District adopted positions on, the most significant was SB 1455, authored by Senator Christine Kehoe. This bill changed in the hectic last several weeks of the session into a measure to reauthorize critical air quality funding programs. Specifically, it would have extended the Carl Moyer, the AB 118, and AB 923 programs. Together these programs provide roughly \$24 million in the Bay Area alone each year for emission reductions. This bill initially reflected the conditions of a deal reached between the Western States Petroleum Association (WSPA), the Air Resources Board (ARB), the California Natural Gas Vehicle Coalition, and CalSTART (a clean transportation technology incubator). In exchange for ARB waiving some requirements on refiners to provide hydrogen fueling stations (for fuel cell vehicles), WSPA agreed to support an extension of the AB 118 program.

As the deal became public, and air districts and others became involved, SB 1455 was quickly expanded to include the extension of the Moyer and AB 923 programs as well. This bill required a two thirds vote of both the Assembly and the Senate. It was supported by a remarkably broad coalition of interests, although it had opposition as well. While it passed the Assembly, it ultimately failed passage in the Senate literally at midnight two votes short of the required supermajority.

There were multiple other bills put forth this session that the Air District opposed. Many of these were justified by their authors as necessary to help protect businesses in a tough economy from the unfair costs of air quality requirements. They included measures to eliminate vehicle smog checks, weaken ARB’s heavy-duty vehicle smoke inspection program, roll back existing ARB regulations, and delay the move of Bay Area regional agencies to 390 Main Street. The good news is that all measures the Air District opposed in 2012 failed passage in the Legislature.

A complete list of bills with air quality significance (far more bills than those the Air District adopted positions on) is attached to this memorandum.

OUTCOME OF BILLS THE DISTRICT HAD POSITIONS ON

BILL AND AUTHOR	SUBJECT	POSITION	OUTCOME
AB 1532 Perez	Creates the Greenhouse Gas Emission Reduction Fund for revenues from auction of GHG allowances	Support	Chaptered
AB 1537 Cook	Would sunset new state regulations with economic costs over \$1M after two years, unless Legislature passes a bill deciding otherwise	Oppose	Failed passage
AB 1613 Donnelly	Eliminates smog check on transfer of vehicle ownership	Oppose	Failed passage
AB 1721 Donnelly	Requires first violations of air quality laws to result only in a warning	Oppose	Failed passage
AB 1922	Amends commercial heavy-duty vehicle smoke inspection	From Oppose to	Chaptered

Lara	requirements; was amended to address our opposition	Neutral	
AB 2024 Mendoza	Reduces the number of vehicles subject to ARB's In-Use On-Road diesel regulation	Oppose	Failed passage
AB 2091 B. Berryhill	Imposes new requirements on state agencies with regulations using new or emerging technology or equipment	Oppose	Failed passage
AB 2605 Cedillo	Allows certain city attorneys to enforce stationary source air pollution requirements	Oppose	Failed passage
SB 535 De Leon	Directs funds in the Greenhouse Gas Emission Reduction Fund to disadvantaged communities	Support	Chaptered
SB 1127 Vargas	Requires South Coast AQMD to weaken an industrial metal lubrication rule	Oppose	Failed passage
SB 1224 La Malfa	Ends smog checks for 1976 through 1981 vehicles	Oppose	Failed passage
SB 1230 Wright	Requires Occupational Safety and Health Standards Board to adopt standards for diesel emission reduction control equipment required by ARB regulation	Oppose	Failed passage
SB 1339 Yee	Authorizes BAAQMD and MTC to enact a transit commute benefits requirement	Sponsor	Chaptered
SB 1455 Kehoe	Reauthorizes Moyer, AB 118, and AB 923 air quality incentive and funding programs, and makes changes to ARB's Clean Fuel Outlet regulation	Support	Failed passage
SB 1545 DeSaulnier	Prohibits spending of public funds on development or improvement of 390 Main St. until state audit is completed, and the issues raised are addressed	Oppose	Failed passage

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison

Attachments

Summary of the 2011-2012 Legislative Year BAAQMD Bill Discussion List

November 2012

BILL NO.	AUTHOR	SUBJECT	POSITION	OUTCOME
AB 819	Wieckowski	Allows non-standard bikeways to be constructed in some circumstances		Chaptered
AB 1532	Perez	Establishes Greenhouse Gas Reduction Account for cap-and-trade moneys	Support	Chaptered
AB 1537	Cook	Would sunset new state regulations with economic costs over \$1M after two years, unless Legislature passes a bill deciding otherwise	Oppose	Failed Passage
AB 1549	Gatto	Assigns new tasks on permit streamlining to Office of Permit Assistance, including mediation of disputes, and would require their involvement in local agency decisions		Failed Passage
AB 1608	Wieckowski	Clean Vehicle Rebate Project		Failed Passage
AB 1613	Donnelly	Eliminates smog check on transfer of vehicle ownership	Oppose	Failed Passage
AB 1627	Dickinson	Requires new CEC standards for reducing vehicle miles traveled (VMT)		Failed Passage
AB 1702	Logue	AB 32 spot bill		Failed Passage
AB 1721	Donnelly	Requires first violations of air quality laws to result only in a warning	Oppose	Failed Passage
AB 1836	Fletcher	Air Quality Improvement Program spot bill		Failed Passage
AB 1900	Gatto	Affects PUC and CEC and requirements around methane gas from landfills		Chaptered
AB 1906	Nestande	AB 32 market-based compliance mechanisms spot bill		Failed Passage
AB 1922	Lara	Amends heavy-duty commercial vehicle smoke inspection requirements; was amended to remove our initial opposition	From Opposed to neutral	Chaptered
AB 1959	Williams	Would require California Building Stds. Commission to consider adopting standards for toxic air contaminants as part of mandatory minimum building standards		Failed Passage
AB 2024	Mendoza	Reduces the number of vehicles subject to ARB's In-Use On-Road diesel regulation	Oppose	Failed Passage
AB 2045	Perea	Applies to expedited permits and fees in the San Joaquin Valley Air District		Failed Passage

AB 2091	B. Berryhill	Imposes new requirements on state agencies with regulations using new or emerging technology or equipment	Oppose	Failed Passage
AB 2135	Blumenfield	Requires CA Building Standards Commission to adopt model ordinance and guidelines for solar electric residential and commercial installations		Failed Passage
AB 2173	Skinner	Liberalizes existing MTC regional gas tax authority in several ways		Failed Passage
AB 2200	Ma	Would have weakened HOV requirements on Hwy 80 in Bay Area		Vetoed
AB 2234	Hill	Would extend net energy metering for solar to public agencies		Failed Passage
AB 2245	Smyth	Would exempt bikeways within existing right-of-way from CEQA review		Chaptered
AB 2249	Buchanan	Allows existing incentives for solar thermal non-residential pool heating		Chaptered
AB 2257	Achadjian	Narrows the circumstances in which a landfill can be called a nuisance		Failed Passage
AB 2289	Jeffries	Changes exemption process for kit cars exempted from Smog Check		Failed Passage
AB 2339	Williams	Requires PUC, in consultation with CEC and ARB, to work to increase solar and geothermal heating and cooling		Chaptered
AB 2347	Achadjian	Tries to avoid AB 32 regulations reducing jobs in California		Failed Passage
AB 2390	Chesbro	Intent bill to create incentives for forest thinning used for biomass and electrical generation		Failed Passage
AB 2404	Fuentes	Creates Local Emission Reduction Fund with cap-and-trade AB 32 funds		Failed Passage
AB 2405	Blumenfield	Would allow "green stickered" vehicles (plug-in hybrids) into High Occupancy Toll lanes without charge, regardless of occupancy		Chaptered
AB 2412	Swanson	Requires biennial report on Air Quality Improvement Program		Failed Passage
AB 2488	Williams	Allows increased bus length to accomadate bike carriers on front of buses		Chaptered
AB 2499	Conway	Heavy duty vehicle smoke inspection spot bill		Failed Passage
AB 2563	Smyth	Requires ARB to consider adopting compliance offset protocols for AB 32, and sets limits on percentages of compliance obligations that can be met with offsets		Failed Passage
AB 2581	Conway	HOV lane spot bill		Failed Passage
AB 2583	Blumenfield	Has CEC fund alternative fuel infrastructure in public parking lots		Chaptered
AB 2605	Cedillo	Allows certain city attorneys to enforce stationary source air pollution requirements	Oppose	Failed Passage
AB 2631	Fletcher	Electric vehicle parking and charging spot bill		Failed Passage
AB 2644	Butler	Require EV parking standards to be included in next building standards update		Failed Passage

SB 52	Steinberg	CEQA streamlining for beneficial greenhouse gas reduction projects		Failed Passage
SB 535	De Leon	Directs funds in the GHG Emission Reduction Fund to disadvantaged communities	Support	Chaptered
SB 878	DeSaulnier	Requires the Bay Area regional agencies and the Joint Policy Committee to report to the Legislature on certain things	Watch	Failed Passage
SB 1076	Emmerson	Makes changes to ARB's greenhouse gas tire pressure regulation		Chaptered
SB 1127	Vargas	Requires South Coast AQMD to weaken an industrial metal lubrication rule	Oppose	Failed Passage
SB 1128	Padilla	Expands grants from CA Alternative Energy and Advanced Transportation Financing Authority to also allow 'advanced manufacturing' projects		Chaptered
SB 1130	DeLeon	Enacts Commercial Building Energy Retrofit Financing Act of 2012		Failed Passage
SB 1139	Rubio	Carbon Capture and Storage Act of 2012		Failed Passage
SB 1149	DeSaulnier	Creates new Bay Area Regional Commission		Failed Passage
SB 1222	Leno	Limits permit fees for rooftop solar electric installations		Chaptered
SB 1224	La Malfa	Ends smog checks for 1976 through 1981 vehicles	Oppose	Failed Passage
SB 1230	Runner	Requires Occupational Safety and Health Standards Board to adopt standards for diesel emission reduction control equipment required by ARB regulation	Oppose	Failed Passage
SB 1257	Hernandez	Eliminates utility user tax for electric transit bus fast chargers		Chaptered
SB 1283	Alquist	San Francisco Bay Area Sea Level Rise Planning Act		Failed Passage
SB 1339	Yee	Authorizes BAAQMD and MTC to enact a transit commute benefits requirement	Sponsor	Chaptered
SB 1445	Cannella	Motor vehicle registration fee spot bill		Failed Passage
SB 1455	Kehoe	Has ARB and CEC work together on state alternative fuel plan; reauthorizes Moyer/AB 923/AB 118 funding programs; changes hydrogen fueling regulation		Failed Passage
SB 1545	DeSaulnier	Prohibits spending of public funds on development or improvement of 390 Main St. until state audit is completed, and the issues raised are addressed	Oppose	Failed Passage
SB 1572	Pavley	Establishes Greenhouse Gas Reduction Account for spending cap-and-trade funds		Failed Passage

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 26, 2012

Re: Potential Legislative Agenda for 2013

RECOMMENDED ACTION:

Recommend a 2013 legislative agenda to the Board of Directors.

DISCUSSION

Major statewide air quality incentive funding programs are due to either expire or experience a significant funding reduction in the next few years. The affected programs are the Carl Moyer program, the AB 923 program, and the AB 118 program. Without a legislative extension, California will lose over \$200 million annually statewide for clean air. Without reauthorization, the Bay Area would be short up to \$24 million every year.

The Carl Moyer program provides grant funds to cut emissions from on-road heavy-duty vehicles, off-road equipment, marine vessels, trains, agricultural equipment, and for light duty vehicle retirement. The funding that would be lost comes from a fee on new tires sold in California. The AB 923 program administered by the Air District is funded by an expiring \$2 annual vehicle registration fee surcharge, and is used for diesel clean-up, cleaner school buses, and other emission reduction projects. The AB 118 program is a technology advancement and emission reduction program that includes the California Air Resources Board's Air Quality Improvement Program. Staff recommends that extending these critical air quality funding programs, in partnership with other interested parties, be a key plank of our 2013 legislative agenda.

A separate legislative issue is in the District's adopted *Work Plan for Action Items Related to Industrial Releases from Industrial Facilities*. This plan was adopted by the Board in October of 2012, in response to the August 6, 2012 fire at Chevron's Richmond refinery. In this plan, the District committed to sponsor legislation that would allow it to collect more substantial penalties from accidental releases.

The Health and Safety Code contains civil and criminal penalty guidelines for stationary source violations that are intended to encourage compliance by establishing financial consequences for violators. The penalty ceilings for violations increase based on a variety of factors. Staff notes

that for certain types of violations, the maximum penalties allowed by statute are inappropriately low. This is particularly true for violations of limited duration that affect large numbers of people. For example, a one-day release from a large industrial facility such as the Richmond refinery that affects many thousands of people would have a maximum legal penalty of only \$10,000 if negligence could not be demonstrated and there was no ‘actual injury’. Actual injury is narrowly defined in statute and would not apply to individuals who were only seen once by a physician in response to an incident. However, if someone had experienced more substantive injury in response to the event, the maximum penalty would be capped at \$15,000.

Per the Board’s recommendation in the work plan, staff recommends that increasing penalty ceilings for large industrial releases affecting large numbers of people also be a part of our 2013 legislative agenda.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison