



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING

COMMITTEE MEMBERS

DOUG KIM - CHAIR
JOHN BAUTERS
PAULINE RUSSO CUTTER
SCOTT HAGGERTY
KAREN MITCHOFF
BRAD WAGENKNECHT

MARGARET ABE-KOGA - VICE CHAIR
DAVID CANEPA
JOHN GIOIA
TYRONE JUE
JIM SPERING

WEDNESDAY
MAY 22, 2019
9:30 A.M.

1ST FLOOR YERBA BUENA ROOM #109
375 BEALE STREET
SAN FRANCISCO, CA 94105

AGENDA

1. **CALL TO ORDER - ROLL CALL**

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members. The Committee Chair shall lead the Pledge of Allegiance.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

Public Comment on Agenda Items *The public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.*

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 *For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have two minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.*

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF APRIL 24, 2019**

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Legislative Committee meeting of April 24, 2019.

4. **CONSIDERATION OF NEW BILLS**

A. Abbs/5109

aabbs@baaqmd.gov

The Committee will discuss and review bills and take positions where appropriate.

5. **ASSEMBLY BILL (AB) 836 WICKS – WILDFIRE SMOKE CLEAN AIR CENTERS FOR VULNERABLE POPULATIONS INCENTIVE PROGRAM**

A. Abbs/5109

aabbs@baaqmd.gov

The Committee will receive an update on the status of Assembly Bill 836 (Wicks), a Bay Area Air Quality Management District sponsored bill to increase the number of publicly accessible clean air spaces during emergency events such as wildfires.

6. **SACRAMENTO LEGISLATIVE UPDATE**

A. Abbs/5109

aabbs@baaqmd.gov

The Committee will receive an update on recent events of significance in Sacramento.

7. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Speakers who did not have the opportunity to address the Committee in the first round of comments on non-agenda matters will be allowed two minutes each to address the Committee on non-agenda matters.

8. **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)

9. **TIME AND PLACE OF NEXT MEETING**

At the Call of the Committee Chair.

10. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Legislative Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- 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 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT ANTICIPATED MEETINGS

MAY 2019

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|-------------|--|
| Board of Directors Community and Public Health Committee | Monday | 20 | 9:30 a.m. | 1 st Floor, Board Room |
| Board of Directors Legislative Committee | Wednesday | 22 | 9:30 a.m. | 1 st Floor, Yerba Buena Room #109 |
| Board of Directors Mobile Source Committee | Thursday | 23 | 9:30 a.m. | 1 st Floor Board Room |

JUNE 2019

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|--|
| Board of Directors Regular Meeting | Wednesday | 5 | 9:30 a.m. | 1 st Floor Board Room |
| Board of Directors Climate Protection Committee | Monday | 10 | 9:30 a.m. | 1 st Floor Board Room |
| Board of Directors Regular Meeting (CANCELLED) | Wednesday | 19 | 9:30 a.m. | 1 st Floor Board Room |
| Board of Directors Community and Public Health Committee | Thursday | 20 | 9:30 a.m. | 1 st Floor Board Room |
| Board of Directors Budget and Finance Committee (CANCELLED) | Wednesday | 26 | 9:30 a.m. | 1 st Floor, Yerba Buena Room #109 |
| Board of Directors Mobile Source Committee (CANCELLED) | Thursday | 27 | 9:30 a.m. | 1 st Floor Board Room |

JULY 2019

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|-------------------|--------------------|--------------------|--|
| Board of Directors Regular Meeting (CANCELLED) | Wednesday | 3 | 9:30 a.m. | 1st Floor Board Room |
| Board of Directors Stationary Source | Monday | 15 | 9:30 a.m. | 1st Floor Board Room |
| Board of Directors Personnel Committee (CANCELLED) | Wednesday | 17 | 9:30 a.m. | 1st Floor Board Room |
| Board of Directors Legislative Committee (CANCELLED) | Wednesday | 24 | 9:30 a.m. | 1st Floor, Yerba Buena Room #109 |
| Board of Directors Mobile Source Committee | Thursday | 25 | 9:30 a.m. | 1st Floor Board Room |
| Advisory Council Meeting | Monday | 29 | 10:00 a.m. | 1st Floor Board Room |
| Board of Directors Special Meeting | Wednesday | 31 | 9:30 a.m. | 1st Floor Board Room |

AD – 5/15/2019 –1:48 p.m.

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Doug Kim and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 15, 2019

Re: Approval of the Minutes of April 24, 2019

RECOMMENDED ACTION

Approve the attached draft minutes of the Legislative Committee (Committee) meeting of April 24, 2019.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of April 24, 2019.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 3A: Draft Minutes of the Committee Meeting of April 24, 2019

AGENDA 3A – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of April 24, 2019

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Wednesday, April 24, 2019

1. CALL TO ORDER – ROLL CALL

Legislative Committee (Committee) Chairperson, Doug Kim, called the meeting to order at 9:41 a.m.

Present: Chairperson Doug Kim; and Directors David J. Canepa, Pauline Russo Cutter, Tyrone Jue, Karen Mitchoff, and Brad Wagenknecht.

Absent: Vice Chairperson Margaret Abe-Koga; and Directors John J. Bauters, John Gioia, Scott Haggerty, and Jim Spring.

Also Present: None.

2. PUBLIC COMMENT ON NON-AGENDA ITEMS, PURSUANT TO GOVERNMENT CODE SECTION 54954.3

No requests submitted.

NOTED PRESENT: Director Wagenknecht was noted present at 9:42 a.m.

3. APPROVAL OF THE MINUTES OF MARCH 27, 2019

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Mitchoff made a motion, seconded by Director Canepa, to **approve** the minutes of March 27, 2019; and the motion **carried** by the following vote of the Committee:

AYES: Canepa, Cutter, Jue, Kim, Mitchoff, Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Bauters, Gioia, Haggerty, Spering.

4. CONSIDERATION OF NEW BILLS

Mr. Abbs explained that an updated Bill Discussion List had been published and distributed since the original release of this meeting packet, as more details about bills became available closer to this meeting date. The Committee and Air District staff discussed the following bills:

- **Assembly Bill (AB) 661 (McCarty):** Requires the Sacramento Metropolitan Air Quality Management District to prepare a wildfire smoke air pollution emergency plan as an informational source for local agencies and the public during a wildfire smoke air pollution emergency, and authorizes air districts to conduct public education, marketing, demonstration, monitoring, research, and evaluation programs or projects with respect to wildfire smoke impact control measures. The Committee and staff discussed whether the author is aware that other California air districts are developing similar plans, and the need for uniformity among those plans, especially regarding health standards; amendments made to the original bill language since the Air District’s Legislative Committee meeting on March 27, 2019; and the Committee’s desire to change from an “Oppose Unless Amended” position to a “**Watch**” position;
- **Senate Bill (SB) 293 (Skinner):** Establishes alternative procedures for the formation of an Oakland Waterfront Revitalization and Environmental Justice Infrastructure Financing District. The Committee and Board discussed the bill’s provision regarding the Howard Terminal, located adjacent to West Oakland, which is impacted by poor air quality and elevated asthma; Air District staffs’ desire that the Committee be made aware of this bill, as aspects of it may conflict with the implementation of the Air District’s Community Air Protection Program (AB 617); and Oakland facilities’ concern of limitations posed by Air District regulations.
- **SB 732 (Allen):** Spot bill that authorizes the South Coast Air Quality Management District Board to impose a transactions-and-use tax within the boundaries of the South Coast district, with the moneys generated from the transactions-and-use tax to be used to supplement existing revenues being used for South Coast district purposes. The Committee and staff discussed the Executive Officer/Air Pollution Control Officer’s desire that the Committee be made aware of this bill; why the South Coast Air Quality Management District is seeking support for this, and whether other California air districts have been asked to support the bill; whether other California air districts will be affected by this

bill; and potential outcomes of various positions that the Committee could recommend to the Board.

- **AB 144 (Aguiar-Curry):** Requires the Strategic Growth Council, in consultation with stakeholders and relevant permitting agencies, to prepare and submit a report to the Legislature that provides a scoping plan for the state to meet its organic waste, climate change, and air quality mandates, goals, and targets and would require the scoping plan to include, among other things, recommendations on policy and funding support for the beneficial reuse of organic waste.
- **AB 345 (Muratsuchi):** Requires all new oil and gas development or enhancement operation, not on federal land, to be located at least 2,500 feet from a residence, school, childcare facility, playground, hospital, or health clinic. The Committee and staff discussed how this bill was amended, following the Air District’s Legislative Committee’s March 27, 2019 meeting; and whether this bill will affect gasoline dispensing facilities (gas stations).
- **AB 423 (Gloria):** Requires the San Diego County Air Pollution Control District to have a specified governing board membership. The Committee and staff discussed whether this bill will affect other California Air Districts.
- **AB 1589 (Salas):** Authorizes as an eligible project (under the Carl Moyer Memorial Air Quality Standards Attainment Program) equipment powered by a diesel engine certified to the cleanest available emission level to replace the baseline equipment for a heavy-duty off-road equipment replacement project that involves farm equipment and the baseline equipment is powered by an uncontrolled gasoline engine. The Committee and staff discussed tractor-replacement projects that are eligible under the current program.
- **SB 44 (Skinner):** Requires the California Air Resources Board (CARB) to update its 2016 Mobile Source Strategy to include a comprehensive strategy for reducing motor vehicle greenhouse gas emissions from the medium and heavy-duty vehicle sector by 2030 and 2050. The Committee and staff discussed the status of this bill; the Committee’s adopted position of “Support If Amended”; and the anticipated invitation to California air districts to participate as stakeholders in the bill’s development.
- **SB 45 (Allen):** Enacts the Wildfire, Drought, and Flood Protection Bond Act of 2020, which would authorize the issuance of bonds in the amount of \$4,300,000,000 pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

The Committee and staff discussed how “clean air centers” are defined separately from “cooling centers” in the bill language.

- **SB 210 (Leyva):** Requires CARB to implement a pilot program that develops and demonstrates technologies that show potential for readily bringing heavy-duty vehicles into an inspection and maintenance program; requires CARB to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline heavy-duty on-road motor vehicles, and to provide mechanisms for out-of-state owners of heavy-duty vehicles to establish and verify compliance prior to entering the state.
- **SB 216 (Galgiani):** Adds as an eligible project (under the Carl Moyer Memorial Air Quality Standards Attainment Program) a used heavy-duty truck exchange; requires CARB to hold a public workshop on the heavy-duty truck exchange and to help air pollution control and air quality management districts add a heavy-duty truck exchange as an eligible project under the program. The Committee and staff discussed whether Carl Moyer Program funds would be supplemented, or if more categories would be added to the program, if this bill passes; whether tractors would be eligible under this bill; whether the provisions of this bill and AB 1589 can be combined; the Air District’s first impression of the bill; and the fact that California air districts are not required to participate.
- **SB 369 (Hertzberg):** Authorizes jurisdictions to establish, or public and private parking lot owners to agree to, a safe parking program. The purpose of the program would be to designate an area for homeless persons and families, who reside in their vehicles, to park their vehicles and provide those persons access to case management and social services at the safe parking program site. The bill would also exempt vehicles owned by safe parking program participants from smog check requirements for a one-year period. The Committee was informed that recent amendments would likely remove the smog check exemption language. The Committee and staff discussed whether this has been done in San Francisco; whether semi-trailer trucks are included in this bill; whether the vehicles referenced in this bill have a tendency to be registered with the Department of Motor Vehicles, and the concern about wanting to deter the public from failing to register their vehicles; and the fact that this bill does not address air quality.
- **SB 629 (McGuire):** Spot bill that currently addresses air district hearing boards’ noticing requirements, but is to become language amending Section 40824 (Air Pollution from Agricultural Sources) of the Health and Safety Code, relating to non-vehicular pollution. Mr. Abbs said that he will attend a meeting in May 2019, where he anticipates receiving new bill language regarding air quality exemptions at wineries.

Public Comments

No requests received.

Committee Action

Director Mitchoff motioned, and Director Wagenknecht seconded, that the Committee recommend that the Board **adopt** the following position on the following bill:

- **AB 661 (McCarty)**: change the position of “Oppose Unless Amended” to “Watch”

The motion **carried** by the following vote of the Committee:

AYES: Canepa, Cutter, Jue, Kim, Mitchoff, Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Bauters, Gioia, Haggerty, Spering.

5. WILDFIRE SMOKE PUBLIC HEALTH BILL

Mr. Abbs summarized the following:

- Assembly Bill 836 (Wicks), an Air District-sponsored bill to increase the number of publicly accessible clean air spaces during emergency events such as wildfires, was unanimously passed by the California Assembly’s Committee on Natural Resources on April 8, 2019.
- During the hearing, Assembly member Wicks accepted Legislative staff-recommended amendments to extend the bill statewide.
- The bill will become a Suspense File Bill within the Assembly’s Appropriations Committee next week, and funding needs to be identified.
- Mr. Abbs will meet with Assembly’s Budget Committee staff tomorrow, and the Air District has received letters of support from the other California air districts. Assembly member Wicks’ staff has been assisting with identifying sources of financial support as well.
- Board members that may have relationships with Assembly member Phil Ting are encouraged to reach out to him to ask for his support, as he Chairs the Assembly’s Budget Committee.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether Air District staff anticipates organized opposition to this bill; whether the Air District anticipates earmarked funds being addressed in the bill; and Air District staff's projection of the bill's status in May 2019.

Committee Action

None; receive and file.

6. SACRAMENTO LEGISLATIVE UPDATE

Mr. Abbs reported that the Governor's Budget is currently being developed, and that the Air District requested \$400,000,000 for statewide incentives and \$100,000,000 for AB 617 implementation.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether the Air District is monitoring the increase in gas prices, what potential legislative remedies could be to address this issue, and whether the Air District has heard from the refineries about why gas prices have increased.

Committee Action

None; receive and file.

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBERS' COMMENTS / OTHER BUSINESS

Director Mitchoff acknowledged scheduling conflicts that affect the attendance of those who serve on both the Air District's Board and the Metropolitan Transportation Commission and asked if future Legislative Committee meetings can be changed to avoid this issue.

9. TIME AND PLACE OF NEXT MEETING

Wednesday, May 22, 2019, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 9:30 a.m.

10. ADJOURNMENT

The meeting adjourned at 10:41 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Doug Kim and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 15, 2019

Re: Consideration of New Bills

RECOMMENDED ACTION

Recommend the Board of Directors take the following position on proposed legislation:

Senate Bill (SB) 629 – Mike McGuire (D-Healdsburg) – “Oppose” position with possible district-provided amendments if future amendments weaken air district authority to regulate stationary sources.

BACKGROUND

The Committee will discuss and review the attached list, as well as an updated list of bills introduced by the date of its meeting. The Committee will also consider any new recommendations resulting from amended bills submitted by its meeting date.

DISCUSSION

Staff will provide a brief summary of bills on the attached list, with a focus on the following bills:

Bills Recommended for Further Monitoring

SB 629 is authored by Senator Mike McGuire (D- Healdsburg). As of May 8, 2019, the bill focuses on noticing requirements for air district hearing boards relating to hearings on interim variance requests. On May 6, 2019, Legislative Officer Alan Abbs, District Counsel Brian Bunger, and representatives from California Air Pollution Control Officers Association met with Senator McGuire and representatives from the Wine Institute, regarding emission control devices on winery fermentation tanks that have been successfully installed at two large wineries in Santa Barbara, resulting in a Best Available Control Technology determination for tanks of a certain size. In practice, this would require a small percentage of large volume wineries to install control devices under certain circumstances. It is understood that SB 629 will be used for legislation proposed by the Wine Institute, but we haven't received language to review. Meanwhile, SB 629 has continued to move through the legislative process and is currently awaiting a vote on the

Senate Floor. The bill will be in the Assembly before it's amended with Wine Institute language and staff will have limited time to react.

Staff recommends taking a proactive position of "Oppose" if future amendments weaken air district authority to regulate stationary sources. Staff would provide potential amendments for consideration to the Legislature if appropriate.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 4A: BAAQMD Bill Discussion List – as of May 8, 2019
Attachment 4B: 2019 Senate Bill 629 (McGuire)

BAAQMD Bill Discussion List

As of May 8, 2019

Active:

| Bill No. | Author | Subject | Status | Position |
|-------------------|------------------------|---|------------------|----------|
| AB 126 | Cooper | Air Quality Improvement Program: Clean Vehicle Rebate Program | Approps | |
| AB 144 | Aguiar Curry | Public Resource Management: Solid Waste | Approps | |
| AB 185 | Grayson | California Transportation Commission: Transportation Policies: Joint Meetings | Floor | |
| AB 254 | Quirk-Silva | Alternative Fuel Vehicles: Flexible Fuel Vehicles | Trans | |
| AB 257 | Mathis | Solid Waste: Woody Biomass: Disposal | Approps | |
| AB 285 | Friedman | California Transportation Plan | Approps | |
| AB 293 | E. Garcia | Greenhouse Gases: Offset Protocols | Floor | |
| AB 296 | Cooley | Climate Change: Climate Innovation Grant Program: Voluntary Tax Contributions | Approps | |
| AB 343 | Patterson | Forestry: Fuels Transportation Program: Biomass Energy Facility: Grant Program | Approps | |
| AB 345 | Muratsuchi | Oil and Gas: Operations: Location Restrictions | Approps | |
| AB 352 | E. Garcia | California Global Warming Solutions Act Of 2006: Greenhouse Gas Reduction Fund: Investment Plan: Transformative Climate Communities Program | Approps | |
| AB 383 | Mayes | Clean Energy Financing Clearinghouse | Approps | |
| AB 386 | E. Garcia | Agricultural Working Poor Energy Efficient Housing Program | Approps | |
| AB 409 | Limon | Climate Change: Agriculture: Grant Program | Approps | |
| AB 423 | Gloria | San Diego County Air Pollution Control District: Members | Approps | |

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|---------|---------------|--|--------------|---------|
| AB 457 | Quirk | Occupational Safety and Health: Lead: Permissible Exposure Levels | Senate Rules | |
| AB 470 | Limon | California Green Business Program | Approps | |
| AB 491 | B. Rubio | Energy: Hydrogen | Approps | |
| AB 556 | Carrillo | Outdoor Experiences: Community Access Program: Grant Program | Approps | |
| AB 639 | Cervantes | Commission on Workforce Impacts of Transitioning Seaports to A Lower Carbon Economy | Approps | |
| AB 661 | McCarty | Wildfire Smoke Air Pollution Emergency Plan | Approps | |
| AB 753 | E. Garcia | Alternative and Renewable Fuel and Vehicle Technology Program: Fuels | Approps | |
| AB 755 | Holden | California Tire Fee: Stormwater Permit Compliance Fund | Approps | |
| AB 784 | Mullin | Sales and Use Taxes: Transit Bus Vehicles | Approps | |
| AB 836 | Wicks | Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Program | Approps | Support |
| AB 839 | Mullin | Climate Adaptation: Strategy: Adaptation Through Resiliency, Economic Vitality, And Equity Account | Approps | |
| AB 970 | Salas | California Department of Aging: Grants: Transportation | Approps | |
| AB 1046 | Ting | Charge Ahead California Initiative | Approps | |
| AB 1100 | Kamlager-Dove | Electric Vehicles: Parking Requirements | Senate Rules | |
| AB 1124 | Maienschein | Employment Safety: Outdoor Works: Wildfire Smoke | Senate Rules | |
| AB 1142 | Friedman | Regional Transportation Plans | Senate Trans | |
| AB 1156 | E. Garcia | Methane: Dairy and Livestock: Pilot Financial Mechanism | Approps | |
| AB 1195 | O'Donnell | California Global Warming Solutions Act Of 2006: Low Carbon Fuel Standard Regulations | Approps | |

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|---------|------------|--|---------|---------------------|
| AB 1236 | Lackey | Public Resources: Greenhouse Gases: Utilities: Recycling: California Environmental Quality Act | Approps | |
| AB 1262 | O'Donnell | California Sustainable Freight Action Plan | Approps | |
| AB 1406 | O'Donnell | Alternative and Renewable Fuel and Vehicle Technology Program | Approps | |
| AB 1424 | Berman | Electric Vehicle Charging Stations Open Access Act | Approps | |
| AB 1430 | E. Garcia | State Government: Public Investment Opportunities: Cost-Effectiveness Definition | Approps | |
| AB 1500 | Carrillo | Hazardous Substances | Approps | |
| AB 1578 | L. Rivas | School Pavement to Parks Grant Program | Approps | |
| AB 1589 | Salas | Carl Moyer Memorial Air Quality Standards Attainment Program: Heavy-duty on Road Replacement | Approps | |
| | | | | |
| SB 1 | Atkins | California Environmental, Public Health, And Worker Defense Act Of 2019 | Approps | |
| SB 43 | Allen | Carbon Taxes | Approps | |
| SB 44 | Skinner | Medium-Duty and Heavy-Duty Vehicles: Comprehensive Strategy | Approps | Support |
| SB 45 | Allen | Wildfire, Drought, And Flood Protection Bond Act Of 2020 | Approps | Support, If Amended |
| SB 59 | Allen | Autonomous Vehicle Technology: Statewide Policy | Approps | |
| SB 69 | Wiener | Ocean Resiliency Act Of 2019 | Approps | |
| SB 127 | Wiener | Transportation Funding: Active Transportation: Complete Streets | Approps | |
| SB 168 | Wieckowski | Climate Change: Chief Climate Resilience Officer | Approps | |
| SB 209 | Dodd | Wildfire: California Wildfire Warning Center: Weather Monitoring | Approps | |
| SB 210 | Leyva | Heavy-Duty Vehicle Inspections and Maintenance Program | Approps | Support |

| | | | | |
|--------|-----------|---|--------------|--|
| SB 216 | Galgiani | Carl Moyer Memorial Air Quality Standards Attainment Program: Used Heavy-Duty Truck Exchange | Approps | |
| SB 293 | Skinner | Infrastructure Financing Districts: Oakland Waterfront Revitalization and Environmental Justice Infrastructure Financing District | Assembly | |
| SB 369 | Hertzberg | Safe Parking Program | Approps | |
| SB 400 | Umberg | Reduction of Greenhouse Gases Emissions: Mobility Options | Floor | |
| SB 460 | Beall | DMV Biennial Registration | Approps | |
| SB 498 | Hurtado | Trade Corridors Improvement Fund: Short Line Railroads | Approps | |
| SB 515 | Caballero | California Renewables Portfolio Standard Program: Bioenergy Renewable Feed-In Tariff | Floor | |
| SB 535 | Moorlach | Wildfires and Forest Fires: Air Emissions | Approps | |
| SB 613 | Stern | State Agency Greenhouse Gas Emissions Report Cards | Approps | |
| SB 629 | McGuire | Air Districts: Hearing Boards: Notice Requirements (Spot) | Senate Floor | |
| SB 662 | Archuleta | Green Electrolytic Hydrogen | Approps | |
| SB 676 | Bradford | Transportation Electrification: Electric Vehicles: Grid Integration | Approps | |
| SB 682 | Allen | Climate Change: Radiative Forcing Management Climate Accounting Protocol | Approps | |

Inactive:

| BILL # | AUTHOR | SUBJECT | STATUS | POSITION |
|--------------------|-----------------------|--|--------------------|----------|
| AB 40 | Ting | Zero Emission Vehicles: Comprehensive Strategy | Trans/Nat Res | Support |
| AB 148 | Quirk-Silva | Regional Transportation Plans: Sustainable Community Strategies | Trans | |
| AB 210 | Voepel | Smog Check: Exemption | Trans | Oppose |
| AB 315 | C. Garcia | Stationary Sources: Emissions Reporting (Spot) | Nat Res | |
| AB 464 | C. Garcia | California Global Warming Solutions Act Of 2006 (Spot) | Nat Res | |
| AB 490 | Salas | CEQA: Development Projects: Streamlining | Nat Res | |
| AB 735 | Melendez | Vehicular Air Pollution: Child Labor | Trans | |
| | | | | |
| AB 821 | O'Donnell | Transportation: Trade Corridor Enhancement Account: Project Nomination: California Port Efficiency Program | Trans | |
| AB 915 | Mayes | California Renewables Portfolio Standards Program | U&E | |
| AB 935 | R. Rivas | Oil and Gas: Facilities and Operations: Monitoring and Reporting | Nat Res &Lg | |
| AB 939 | Frazier | Administrative Procedures Act: Major Regulations | A&Ar | |
| AB 966 | Bonta | Cement Plants | Nat Res | |
| AB 983 | Boerner Horvath | Transportation Electrification | U&E, E&C | |
| AB 1038 | Muratsuchi | Air Quality Management Districts: Scientific and Engineering Review | Nat Res | |
| AB 1056 | E. Garcia | Regional Transportation Plans: State Air Resources Board: Report | Trans | |
| AB 1115 | Quirk-Silva | State Air Resources Board: Low Carbon Fuel Standard and Regulations | Nat Res | |

| | | | | |
|---------|-----------------|---|-----------------|--------|
| AB 1143 | Quirk | Energy: Fuels, Technology, and Equipment for Clean Heating (Tech) Initiative | U&E, Nat Res | |
| AB 1149 | Fong | California Environmental Quality Act (Spot) | Nat Res & Trans | |
| AB 1167 | Mathis | Greenhouse Gas Reduction Fund: High-Speed Rail: Forestry and Fire Protection | Failed Nat Res | |
| AB 1238 | Cunningham | Electric Vehicle Charging Stations | Trans | |
| AB 1276 | Bonta | Green New Deal (Spot) | | |
| AB 1284 | Carrillo | Carbon Neutrality | Nat Res | |
| AB 1347 | Boerner Horvath | Electricity: Renewable Energy and Zero-Carbon Resources: State and Local Government Buildings | U&E, Nat Res | |
| AB 1350 | Gonzalez | Youth Transit Pass Program (Spot) | Trans | |
| AB 1371 | Cunningham | California Renewables Portfolio Standard Program: Offshore Wind Generation | U&E, Nat Res | |
| AB 1411 | Reyes | Integrated Action Plan for Sustainable Freight | Trans | |
| AB 1418 | Chiu | Transportation Electrification: Electric School Buses | U&E | |
| AB 1445 | Gloria | Climate Change: Emergency Declaration and Policy | | |
| AB 1463 | Gabriel | California Global Warming Solutions Act Of 2006 (Spot) | | |
| AB 1594 | Bauer-Kahan | Heavy Duty Vehicles: Electric Vehicle Charging Stations: Ports | Trans | |
| AB 1621 | Frazier | Alternative and Renewable Fuel and Vehicle Technology Program (Spot) | | |
| AB 1655 | O'Donnell | Hydrogen Fuel | Nat Res | |
| AB 1673 | Salas | California Environmental Quality Act: Judicial Challenge | Failed Nat Res | |
| AB 1744 | Salas | Carb: Emission Reduction Credit Program | Trans | Oppose |

| | | | | |
|-------------------|--------------------|---|-------------------|--|
| AB 1778 | Boerner Horvath | Greenhouse Gas Reduction Fund: Investment Plan (Spot) | | |
| AB 7 | Gloria | Green New Deal | Nat Res | |
| SB 236 | Wilk | Low Carbon Innovation Grant Program: Low Carbon Innovation Panel | Bus & Prof, Eq | |
| SB 319 | Moorlach | State Highways: Dept Of Transportation: German Autobahn Report | Rules | |
| SB 677 | Allen | California Global Warming Solutions Act Of 2006 (Spot) | Rules | |
| SB 736 | Umberg | Airport Greenhouse Gas Reduction Account (Spot) | Eq | |

SENATE BILL**No. 629**

Introduced by Senator McGuireFebruary 22, 2019

An act to amend Section 40824 of the Health and Safety Code, relating to nonvehicular pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 629, as introduced, McGuire. Air districts: hearing boards: notice requirements.

Existing law imposes various limitations on the emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. The State Air Resources Board is designated with the primary responsibility for the control of vehicular air pollution and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources.

Existing law establishes one or more hearing boards in each district for the purposes of performing specified functions, including, among others, issuing specified interim variances. The hearing board is required to serve reasonable notice of the time and place of the hearing to consider an interim variance application upon the district air pollution control officer and the applicant.

The Ralph M. Brown Act requires a legislative body of a local agency, at least 72 hours before a regular meeting, to post an agenda containing, among other things, information on the time and location of the meeting. The act requires the body, upon the request of a person, to mail the agenda to the person at the time the agenda is posted.

This bill would require a hearing board to send a notice of the hearing not less than 72 hours before the hearing to any person who requests

the notice, thereby making changes to conform the notice provisions with the notice provisions of the act.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 40824 of the Health and Safety Code is
2 amended to read:

3 40824. In *the* case of a hearing to consider an application for
4 an interim variance, as authorized under Section 42351:

5 (a) (1) The hearing board shall serve reasonable notice of the
6 time and place of the hearing upon the district air pollution control
7 officer and upon the applicant.

8 (2) *The hearing board shall send notice of the hearing not less*
9 *than 72 hours prior to the hearing to any person who requests the*
10 *notice.*

11 (b) Subdivision (b) of Section 40823 shall not apply.

12 (c) In districts with a population of less than 750,000, the
13 ~~chairperson~~ *chair* of the hearing board, or ~~any~~ other member of
14 the hearing board designated by the board, may hear an application
15 for an interim variance. If ~~any~~ a member of the public contests a
16 decision made by a single member of the hearing board, the
17 application shall be reheard by the full hearing board within 10
18 days of the decision.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Doug Kim and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 15, 2019

Re: Assembly Bill (AB) 836 (Wicks) – Wildfire Smoke Clean Air Centers for Vulnerable
Populations Incentive Program

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

AB 836 – Buffy Wicks (D-Oakland) was heard in Assembly Appropriations on May 8, 2019 and was referred to the Suspense File. By meeting time, we will likely know whether the bill made it out of suspense. As part of the analysis by Assembly Appropriations staff, the California Air Resources Board estimated they would require \$500,000 to oversee this type of incentive program. This estimate seems high given that air districts will be doing all the work after development of the required guidelines, which would likely be developed by the districts as well based on previous experience with filtration projects. We have provided this perspective for the purposes of any future analysis.

We have received letters of support from the following organizations as of May 8, 2019:

- California Air Pollution Control Officers Association
- South Coast Air Quality Management District
- Placer County Air Pollution Control District
- Feather River Air Quality Management District
- Butte County Air Quality Management District
- Coalition letter – American Lung Association, Alliance of Nurses for Healthy Environments, American Academy of Pediatrics, California Health Care Climate Alliance, Center for Climate Change and Health, Regional Asthma and Prevention

Attached is the Appropriations Committee analysis and current bill, with amendments.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 5A: 2019 Assembly Bill 836 (Wicks), as amended
Attachment 5B: AB 836 Appropriations Analysis

AMENDED IN ASSEMBLY APRIL 11, 2019

CALIFORNIA LEGISLATURE—2019—20 REGULAR SESSION

ASSEMBLY BILL

No. 836

Introduced by Assembly Member Wicks
(Principal coauthor: Assembly Member Kalra)
(Coauthor: Assembly Member Chiu)

February 20, 2019

An act to add ~~Article 6 (commencing with Section 40280) to Chapter 4 of Part 3 of Division 26 Chapter 9.5 (commencing with Section 39960) to Part 2 of Division 26~~ of the Health and Safety Code, relating to ~~the Bay Area Air Quality Management District. nonvehicular air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 836, as amended, Wicks. ~~Bay Area Wildfire Smoke Clean Air Centers for Vulnerable Populations~~ Incentive Program.

~~(1) Existing~~

Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law establishes the Bay Area Air Quality Management District, which is vested with the authority to regulate air emissions located in the boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara and portions of the Counties of Solano and Sonoma.

This bill would establish the ~~Bay Area Wildfire Smoke Clean Air Centers for Vulnerable Populations~~ Incentive Program, to be administered by the ~~district, state board,~~ to provide funding through a

grant program to retrofit ventilation systems to create a network of clean air centers ~~within the boundaries of the district~~ in order to mitigate the adverse public health impacts due to wildfires and other smoke events, as specified. The bill would specify that moneys for the program would be available upon appropriation. ~~By adding to the duties of the Bay Area Air Quality Management District, the bill would impose a state-mandated local program.~~

(2) ~~This bill would make legislative findings and declarations as to the necessity of a special statute for the Bay Area Air Quality Management District.~~

(3) ~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: *yes-no*.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Article 6 (commencing with Section 40280) is~~
 2 ~~added to Chapter 4 of Part 3 of Division 26 of the Health and Safety~~
 3 ~~Code, to read:~~

4
 5 ~~Article 6. Bay Area Clean Air Incentive Program~~
 6
 7 ~~40280.—~~

8 ~~SECTION 1. Chapter 9.5 (commencing with Section 39960)~~
 9 ~~is added to Part 2 of Division 26 of the Health and Safety Code,~~
 10 ~~to read:~~

11
 12 ~~CHAPTER 9.5 WILDFIRE SMOKE CLEAN AIR CENTERS FOR~~
 13 ~~VULNERABLE POPULATIONS INCENTIVE PROGRAM~~

14
 15 ~~39960. (a) (1) The Bay Area Wildfire Smoke Clean Air~~
 16 ~~Centers for Vulnerable Populations Incentive Program is hereby~~
 17 ~~established to be administered by the bay district state board to~~
 18 ~~provide funding through a grant program to retrofit ventilation~~

1 systems to create a network of clean air centers ~~within the~~
2 ~~boundaries of the bay district~~ in order to mitigate the adverse public
3 health impacts due to wildfires and other smoke events.

4 (2) Moneys for the program shall be available upon
5 appropriation by the Legislature.

6 (b) Qualified applicants shall include, but need not be limited
7 to, all of the following:

8 (1) Schools.

9 (2) Community centers.

10 (3) Senior centers.

11 (4) Sports centers.

12 (5) Libraries.

13 (c) ~~The bay district~~ *state board* shall develop guidelines for the
14 program in consultation with ~~the districts,~~ cities, counties, public
15 health agencies, school districts, and other ~~stakeholders located~~
16 ~~within the boundaries of the bay district.~~ *stakeholders*. The
17 guidelines shall address all of the following:

18 (1) Location of the applicant.

19 (2) Size of the applicant's facility.

20 (3) Facility ventilation characteristics that could provide
21 healthier indoor air quality in the event of a localized smoke
22 impact.

23 (d) *The state board shall prioritize applications to the program*
24 *where the project is located in an area with a high cumulative*
25 *smoke exposure burden.*

26 ~~SEC. 2. The Legislature finds and declares that a special statute~~
27 ~~is necessary and that a general statute cannot be made applicable~~
28 ~~within the meaning of Section 16 of Article IV of the California~~
29 ~~Constitution because of the unique circumstances that the Bay~~
30 ~~Area was significantly affected by smoke impacts during the~~
31 ~~wildfires of the last several years.~~

32 ~~SEC. 3. If the Commission on State Mandates determines that~~
33 ~~this act contains costs mandated by the state, reimbursement to~~
34 ~~local agencies and school districts for those costs shall be made~~
35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
36 ~~4 of Title 2 of the Government Code.~~

Date of Hearing: May 8, 2019

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair
AB 836 (Wicks) – As Amended April 11, 2019

Policy Committee: Natural Resources Vote: 11 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes a grant program, to be administered by the California Air Resources Board (ARB), to provide funding for the retrofit ventilation systems to create a network of clean air centers to mitigate adverse health impacts due to wildfires and other smoke events. This bill requires ARB to prioritize applications where the project is located in an area with a high cumulative smoke exposure burden. Specifically, this bill:

- 1) Provides qualified applicants for the incentive programs shall include but need not be limited to schools, community centers, senior centers, sports centers and libraries.
- 2) Directs ARB to develop guidelines for the incentive program in consultation with local air districts, cities, counties, public health agencies, school districts and other stakeholders.
- 3) Requires guidelines to address all of the following:
 - a) Location of the applicant.
 - b) Size of the applicant's facility.
 - c) Facility ventilation characteristics that could provide healthier indoor air quality.
- 4) Specifies that money for the incentive program will be available upon appropriation by the Legislature.

FISCAL EFFECT:

- 1) Unknown cost pressures, depending on the size of the grant program, likely in range of \$25 million to \$30 million per grant cycle to run a statewide program (GF or special fund).

Although filtration costs are highly dependent on the nature of existing HVAC systems, estimated costs for filtration equipment for a large common area, i.e., school gyms, libraries, community centers or multipurpose rooms, are approximately \$20,000 to \$30,000.

Estimated costs to retrofit an HVAC system with on air filtration system in a school including all the classrooms is estimated to range from \$80,000 (elementary schools) to \$200,000 (high schools).

- 2) ARB administrative costs of approximately \$500,000 (3 PY) to develop guidelines and administer the grant program (GF or special fund).

COMMENTS:

- 1) **Purpose.** The bill requires ARB to administer a new grant program, the Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Program for the retrofit of ventilation systems to create a network of clean air centers in order to mitigate the adverse public health impacts due to wildfires and other smoke events.

The bill indicates that moneys for the program shall be available upon appropriation by the Legislature, but no fund source is identified. According to the author:

With public health concerns from contaminated air quality, AB 836 would provide better coordination in local communities and healthier indoor environments during emergency smoke events. It will fill a gap in the current wildfire smoke response efforts in affected communities and help mitigate adverse health effects from air pollution.

- 2) **Similar Effort.** In 2008, the South Coast Air Quality Management District partnered with the University of California, Riverside's Center for Environmental Research and Technology on a pilot project to research the efficacy of 15 different air filtration technologies. The study findings identified technologies capable of removing over 90% of ultrafine particulate matter, and the best performing units have subsequently been installed in 72 schools and related facilities across the district since 2008. In schools without modern mechanical central air systems, stand-alone filters that re-circulate air in classrooms can be an effective means of improving air quality if windows and doors are closed. This work has been funded on a project-by-project basis using fees assessed for pollution violations in the district, and there is a persistent and ongoing need to update facilities to mitigate pollution exposure.

Analysis Prepared by: Jennifer Galehouse / APPR. / (916) 319-2081

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Doug Kim and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 15, 2019

Re: Sacramento Legislative Update

RECOMMENDED ACTION

The Committee will receive an update on recent events of significance in Sacramento.

DISCUSSION

On May 9, 2019, Governor Newsom released his May Revision Budget for Fiscal Year (FY) 2019/2020. The Environmental Protection Summary document is attached, with pages 73 to 76 of the document describing additional expenditures from the Greenhouse Gas Reduction Fund. Page 75 provides the complete Expenditure Plan, with an increase of \$252 million in expenditures over the January 2019 version. In many cases, however, this May Revision still falls short of budgeted expenditures from the FY 2018/2019 budget. Below are some comparisons for expenditure categories of interest to the Air District:

| Program | FY 19/20 May Revision | FY 18/19 Final |
|---|------------------------------|-----------------------|
| Assembly Bill (AB) 617 – Incentives | \$200M | \$245M |
| AB 617 – Implementation | \$50M | \$50M |
| AB 617 – Technical Assistance | \$10M | \$10M |
| Clean Vehicle Rebate | \$200M | \$175M |
| Clean Truck & Bus | \$182M | \$180M |
| Agriculture Diesel Engine Replacement | \$90M | \$132M |
| Enhanced Fleet Modernization Program (EFMP) & EFMP Plus-Up | \$65M | \$100M |
| Woodstove Replacement | \$0 | \$3M |
| Transformative Climate Communities | \$132M | \$40M |

Beginning the week of May 13, 2019, Assembly and Senate Budget Committees will be reviewing the Governor's proposal and developing individual house proposals for eventual negotiations. Staff will provide an additional update after the first week of Assembly and Senate Budget Committee meetings at the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 6A: Environmental Protection Section, May Revision 2019-20

ENVIRONMENTAL PROTECTION

California's environmental protection programs promote the state's economic vitality in an environmentally sustainable manner by reducing greenhouse gas emissions, enhancing environmental quality, and protecting public health.

SUSTAINABLE PEST MANAGEMENT

Chlorpyrifos is an insecticide used primarily on nut trees and fruit, vegetable and grain crops in California. Acute exposure to chlorpyrifos presents serious risks to human health including neurological development impairments, especially in children and sensitive populations. California has taken actions to significantly reduce the use of and exposures to chlorpyrifos. The Department of Pesticide Regulation recently recommended additional mitigation measures to further restrict use of the pesticide by instituting larger buffer zones and prohibiting certain application methods, such as aerial spraying. Additionally, the Department will commence a regulatory process to cancel the registration of chlorpyrifos. Cancellation would ban use of this pesticide in California.

As California initiates the cancellation process, it is important that the state proceeds in a way that balances public health, the environment and continued agricultural productivity.

Significant Adjustment:

- **Sustainable Pest Management Solutions**—A one-time increase of \$5.7 million General Fund to assist in the transition to safer pesticide alternatives. In partnership with growers and workers, research and development of better and safer alternatives, including non-chemical pest management, is necessary to build a stronger more resilient agricultural community in California. This proposal includes \$125,000 for the Department and the California Department of Food and Agriculture to lead a newly created, cross-sector work group that will identify, evaluate and recommend alternative pest management tools. In addition, the May Revision includes \$5.6 million for additional research and technical assistance for the development of safer, practical, more sustainable alternatives to chlorpyrifos. In combination, the work group and funding for the development of alternatives will produce short-term solutions and prioritize the development of long-term solutions to support a thriving agricultural sector and healthy communities.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL

The Department of Toxic Substances Control protects California residents and the environment from the harmful effects of toxic chemicals by restoring contaminated sites, enforcing hazardous waste laws, and compelling the development of safer products.

The Department's two main special funds, the Toxic Substances Control Account and Hazardous Waste Control Account, have structural deficits with ongoing expenditures exceeding revenues. At the time of the Governor's Budget, the Department had not completed the reconciliation of its past year accounting records. As a result, the magnitude of the Department's funding shortfall was unknown. The Governor's Budget reflected several temporary and placeholder funding shifts from other special funds, including the Lead-Acid Battery Cleanup Fund, to support the Department's current funding level. In February, the Department was able to reconcile its accounting records through the 2017-18 fiscal year.

In order to maintain current operations, the May Revision includes one-time \$37.5 million General Fund. This funding is necessary on a temporary basis as the Administration considers reforms necessary to improve accountability and transparency to impacted communities and regulated entities and develops a fee package to generate sufficient revenue to support the Department's mission. Additionally, the Office of State Audits

and Evaluations is currently conducting a performance audit of the Department's accounting functions, including whether its procedures are in compliance with the state's accounting principles and practices, laws, and regulations. It is anticipated that the audit will be completed in the fall of 2019.

SAFE DRINKING WATER

Since 2010, the state has provided over \$3 billion, primarily bond funds and federal funds, in assistance to address safe and affordable drinking water needs, such as the repair, replacement, and improvement of aging infrastructure and new treatment systems for over 600 projects to comply with the federal Safe Drinking Water Act.

Despite these efforts, many local water systems in the state, particularly those serving small disadvantaged communities, will continue to fail to provide safe drinking water to their customers. Currently, approximately 1 million Californians lack access to safe drinking water. The most significant remaining challenge is the lack of a stable funding source for long-term operation and maintenance of drinking water systems.

In recognition of the continued safe drinking water issues, the Governor's Budget proposed an additional \$1.68 billion Proposition 68 to support capital water projects across the state. The Governor's Budget also included \$4.9 billion General Fund to support initial steps towards implementation of the Safe and Affordable Drinking Water Program and statutory changes to establish ongoing sustainable funding to assist disadvantaged communities in paying for the costs of obtaining access to safe and affordable drinking water.

Chapter 1, Statutes of 2019 (AB 72) appropriated \$20 million General Fund in the current year to accelerate support for safe drinking water emergencies in disadvantaged communities.

The Administration remains committed to working in collaboration with the Legislature and stakeholders on a comprehensive package that includes a sustainable and reliable source of funding to support safe and affordable drinking water for all Californians.

ACHIEVING A CARBON-NEUTRAL ECONOMY

California is committed to achieving a carbon-neutral economy, including the long-term transition away from fossil fuels. The May Revision invests in this transition by

providing additional funds for transit-oriented communities; bus, truck, freight and tractor engine upgrades to reduce diesel use; methane reductions in agriculture; and providing apprenticeships and job training in careers that will build a future green economy. The May Revision also recognizes the need for careful study and planning to decrease demand and supply of fossil fuels, while managing the decline in a way that is economically responsible and sustainable.

The Cap and Trade Program is one important element of California's greenhouse gas emissions reduction strategy. It is a market-based mechanism that establishes a statewide declining cap on greenhouse gas emissions and a state-run auction of emissions allowances. Under the program, major carbon emitters must acquire allowances to represent their emissions and turn them in to the state each year. This establishes a price signal necessary to drive long-term investment in cleaner electricity and fuels, as well as more efficient energy use. The system also provides entities covered by the program the flexibility to reduce emissions in a cost-effective manner.

The Governor's Budget included a \$1 billion Cap and Trade Expenditure Plan to support programs that reduce or sequester greenhouse gases, including programs that benefit disadvantaged and low-income communities.

In recognition of the continued strength of recent Cap and Trade auctions, the May Revision proposes an additional \$251.5 million that promotes affordable housing, sustainability and resiliency priorities (see 2019-20 Cap and Trade Expenditure Plan chart).

- **Transformative Climate Communities**—A one-time increase of \$92 million to support integrated, community-scale housing, transit-oriented development, and neighborhood projects that reduce emissions in some of the state's most disadvantaged areas.
- **Low Carbon Transportation**—A one-time increase of \$130 million for programs that will reduce emissions from the transportation sector, with a focus on diesel pollution, including: (1) \$65 million to replace and upgrade diesel engines and equipment in the agricultural sector, and (2) \$50 million to provide incentives for zero-emission trucks, transit buses, and freight equipment. In addition, \$15 million is proposed to help individuals replace old, highly polluting vehicles with newer, more efficient cars and trucks.
- **Climate Smart Agriculture**—A one-time increase of \$20 million, including: (1) \$10 million for the Healthy Soils program that increases carbon sequestration and

2019-20 Cap and Trade Expenditure Plan
(Dollars in Millions)

| Investment Category | Department | Program | Governor's Budget | May Revision | Total |
|--|--|--|-------------------|--------------|----------------|
| Air Toxic and Criteria Air Pollutants | Air Resources Board | AB 617 - Community Air Protection | \$200 | - | \$200 |
| | | AB 617 - Local Air District Implementation (\$50 million total, including other funds) | \$20 | - | \$20 |
| | | Technical Assistance to Community Groups | \$10 | - | \$10 |
| Low Carbon Transportation | Air Resources Board | Clean Vehicle Rebate Project | \$200 | - | \$200 |
| | | Clean Trucks, Buses, & Off-Road Freight Equipment | \$132 | \$50 | \$182 |
| | | Enhanced Fleet Modernization Program & Transportation Equity Projects | \$50 | \$15 | \$65 |
| | | Agricultural Diesel Engine Replacement & Upgrades | \$25 | \$65 | \$90 |
| Healthy Forests | CAL FIRE | Healthy & Resilient Forests | \$165 | - | \$165 |
| | | Prescribed Fire & Fuel Reduction | \$35 | - | \$35 |
| Climate Smart Agriculture | Department of Food & Agriculture | Healthy Soils | \$18 | \$10 | \$28 |
| | | Methane Reduction | \$25 | \$10 | \$35 |
| Short-Lived Climate Pollutants | CalRecycle | Waste Diversion | \$25 | - | \$25 |
| Integrated Climate Action: Mitigation & Resilience | Strategic Growth Council | Transformative Climate Communities | \$40 | \$92 | \$132 |
| | Coastal Commission & BCDC | Coastal Resilience | \$3 | - | \$3 |
| | Community Services & Development | Low-Income Weatherization | \$10 | - | \$10 |
| | California Conservation Corps | Energy Corps | \$6 | - | \$6 |
| Workforce Training | Workforce Development Board | Preparing Workers for a Carbon-Neutral Economy | \$27 | \$8 | \$35 |
| Climate and Clean Energy Research | Strategic Growth Council | Climate Change Research | \$10 | - | \$10 |
| | California Environmental Protection Agency | Transition to a Carbon-Neutral Economy | - | \$1.5 | \$1.5 |
| Total | | | \$1,001 | \$252 | \$1,253 |

keeps our leading agricultural industry productive and growing far into the future, and (2) \$10 million for methane reduction programs that will support the state's short-lived climate pollutant goals.

- **Preparing Workers for a Carbon-Neutral Economy**—An ongoing increase of \$8 million to increase job training and workforce development as the state transitions to a carbon-neutral economy. When combined with the funding proposed in the Governor's Budget, this proposal invests \$35 million annually for five years in two key areas: (1) targeted pre-apprenticeship and apprenticeship programs for the fast-growing construction industry, which is necessary to build the infrastructure needed for climate resiliency and a carbon-neutral economy; and (2) a new High Road Training Partnership program to foster connections between employers, workers, and communities with an emphasis on regions and industries that have been traditionally dependent on fossil fuels, including Kern County, as California transitions to a carbon-neutral economy.
- **Transition to a Carbon-Neutral Economy**—A one-time increase of \$1.5 million for a study laying out the key actions the state must take to transition toward a carbon-neutral economy. The study will emphasize environmental and economic programs and policies to dramatically reduce fossil fuel demand by 2050, in line with the state's overall climate goals. The study will inform the California Air Resources Board's Scoping Plan, which lays the foundation for achieving California's ambitious goals, including achieving carbon-neutrality by 2045 and reducing greenhouse gas emissions to 80 percent below 1990 levels by 2050.