



San Gabriel Valley Council of Governments*
AGENDA AND NOTICE OF THE SPECIAL JOINT
MEETING OF THE ENERGY, ENVIRONMENT, AND NATURAL
RESOURCES COMMITTEE AND THE WATER POLICY COMMITTEE

WEDNESDAY, MAY 8, 2024 – 10:15 AM
1333 S. MAYFLOWER AVE, SUITE 360
MONROVIA, CA 91016

EENR Chair
Jennifer Stark
Claremont

EENR Vice
Chair
Vinh Truong
Duarte

EENR
Members
Claremont
Covina
Duarte
Glendora
Monrovia
Pasadena
Pomona
Rosemead
San Dimas
San Gabriel
South
Pasadena

WC Chair
Vacant

WC Vice Chair
Jennifer Stark
Claremont

WC Members
Claremont
Glendora
Monrovia
Rosemead
Diamond Bar
TVMWD

Thank you for participating in this afternoon's meeting. The SGVCOG encourages public participation and invites you to share your views on agenda items.

MEETINGS: *Regular Meetings of the Energy, Environment & Natural Resources (EENR) Committee are held on the first Wednesday of each month at 10:15 AM at the SGVCOG Monrovia Office (1333 South Mayflower Avenue, Suite 360, Monrovia, CA 91016). Regular Meetings of the Water Committee are held on the first Tuesday of each month at 2:00 PM at the SGVCOG Monrovia Office (1333 South Mayflower Avenue, Suite 360, Monrovia, CA 91016).* The agenda packet is available at the SGVCOG's Office, 1333 S. Mayflower Avenue, Suite 360, Monrovia, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). A copy of the agenda is also posted for public viewing at the entrance of the SGVCOG Monrovia Office Building. Any additional agenda documents that are distributed to a majority of the Committee after the posting of the agenda will be available for review in the SGVCOG office during normal business hours and on the SGVCOG website noted above.

PUBLIC PARTICIPATION: Your participation is welcomed and invited to all Energy, Environment and Natural Resources and Water Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane, or disruptive remarks. A person who continues to disrupt the orderly conduct of the meeting, after being warned by the Committee Chair or designee to cease the disruption, may be precluded from further participation in the meeting.

TO ADDRESS THE COMMITTEE: At a regular meeting, the public may comment: (i) on any matter within the subject matter jurisdiction of the SGVCOG that is not on the agenda during the public comment period at the beginning of the agenda; (ii) on any item(s) that is on the Consent Calendar prior to action taken on the Consent Calendar; and (iii) on any other agenda item prior to the time it is considered by the Committee. At a special meeting, the public may only comment on items that are on the agenda. Members of the public are requested to state their name prior to speaking. Comments are limited to a maximum of three minutes per person. The Committee Chair may impose additional time limits if comments become repetitious, an individual member of the public seeks to speak on numerous items, or many members of the public seek to speak on an item. Except in limited situations, the Committee may not act on items not appearing on the agenda and/or discuss them at length.

AGENDA ITEMS: The Agenda contains the regular order of business of the Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Committee can be fully informed about a matter before making its decision.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800 or via email to sgv@sgvcog.org. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



CONSENT CALENDAR: Items listed on the Consent Calendar are routine and may be acted upon by one motion. There will be no separate discussion on these items unless a Committee Member so requests. In this event, the item will be removed from the Consent Calendar and considered after the Committee acts on the balance of the Consent Calendar.

TELECONFERENCE LOCATIONS: State law allows Committee Members to teleconference from remote locations as long as certain conditions are met, including listing the teleconference locations in the agenda. The following locations are hereby noticed as teleconference locations, which are accessible to the public for the purposes of observing this meeting and/or addressing the EENR Committee.

<p>City of Covina 125 E. College Street Covina, CA 91723</p>	<p>Three Valleys Municipal Water District 1021 E Miramar Ave, Claremont, CA 91711</p>
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Instructions for Public Comments: For those wishing to make public comments on agenda and non-agenda items, but within the SGVCOG’s subject matter jurisdiction, you may submit written comments via email or provide a verbal comment.

- **Written Comments (Email):** If you wish to submit written public comments to be distributed to the Committee Members at the meeting, please submit these materials via email to Mackenzie Bolger at mbolger@sgvcog.org at least 1 hour prior to the scheduled meeting time. Please indicate in the “Subject” line of the email “FOR PUBLIC COMMENT” and the agenda item number to which the public comment is addressed. Written public comments may include, but are not limited to letters, reports, and presentations.
- **Verbal Comments (In Person):** If you would like to make a public comment at the EENR Committee meeting location, please fill out a public comment card. Comment cards will be made available to you by staff at the entrance to the meeting room. If you are attending the meeting at a noticed teleconference location and would like to make a public comment, please raise your hand when the item upon which you wish to speak comes up on the agenda.
- **Verbal Comments (Zoom):** If you would like to participate by teleconference from a private location, please email Mackenzie Bolger (mbolger@sgvcog.org) to request an attendee Zoom link. Through Zoom, you may provide a verbal comment by using the web interface “Raise Hand” feature when the agenda item upon which you wish to speak is to be considered. You will then be called upon to provide your verbal comments.

For questions related to accessing the available teleconference locations, please contact Mackenzie Bolger (mbolger@sgvcog.org) or (626) 214-1316.

PRELIMINARY BUSINESS

1. Call to Order
2. Roll Call
3. Public Comment
4. Changes to the Agenda Order

CONSENT CALENDAR

5. Review Joint Water Policy and EENR Committee Meeting Minutes (**Page 1**)
Recommended Action: Review and approve.

ACTION ITEMS

6. State Legislative Position: SB 1060 (Becker) (**Page 4**)
Recommended Action: Discuss and provide direction.
7. State Legislative Position: SB 903 (Skinner) (**Page 6**)
Recommended Action: Discuss and provide direction.

PRESENTATION ITEM

8. State Legislative Position: AB 1999 (Irwin) (**Page 9**)
Recommended Action: For information only.
9. California Gas Tax Update: Eric Thronson, Deputy Director, Townsend Public Affairs (**Page 11**)
Recommended Action: For information only.

UPDATE ITEM

10. Water Working Group Chair Report

LIAISON REPORTS

11. Clean Power Alliance
12. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
13. Southern California Gas Company
14. South Coast Air Quality Management District (AQMD) (**Page 14**)

ADJOURN



SGVCOG **Special Joint Meeting of the EENR Committee and the Water Policy Committee Minutes**

Date: **April 3, 2024**

Time: 10:15 AM

Location: 1333 S. Mayflower Ave, Suite 360 Monrovia, CA 91016

PRELIMINARY BUSINESS

1. Call to Order

EENR Chair and Water Committee Vice Chair Jennifer Stark called the meeting to order at 10:15 PM.

2. Roll Call

EENR Committee Members Present

Claremont	J. Stark
Covina	M. Flores Jr.
Glendora	M. Allawos
Pasadena	J. Guess
Pomona	J. Carver
Rosemead	M. Clark
San Dimas	J. Ebiner
San Gabriel	T. Ding
South Pasadena	M. Cacciotti

EENR Committee Members Absent

Duarte	V. Truong
Monrovia	T. Kelly

Guests

Karla Cardenas, Senator Susan Rubio's Office
Sophia Sousa, City of Monrovia
Rainbow Yeung, SCAQMD
Eric Thronson, TPA
Yvana Hrovat, Haley and Aldrich, Inc.
Sarah Mass, Haley and Aldrich, Inc.
Gerald Green, CWE
David Dolphin
Paul Choy
H. Ted Gerber, South Pasadena

Staff Present

M. Bolger; S. Wong; V. Urenia; K. Ward;
T. Lott; V. Guerra; N. Ryu; P. Mejia; N. Arreaga; J. Read; J. Talla, SGVCOG Staff

Water Committee Members Present

Claremont	J. Stark
Diamond Bar	S. Liu
Glendora	D. Fredendall
Monrovia	S. Jimenez
Rosemead	M. Clark

Water Committee Members Absent

TVMWD	C. Goytia
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Water Working Group Members Present

Covina	S. Costandi
Pomona	A. Ortega
Pomona	J. Carver
LA Watermaster	L. Aguino
TVMWD	K. Howie
TVMWD	N. Aguirre

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3. Public Comment
There were no public comments at this meeting.
4. Changes to the Agenda Order
Item 9 - PFAS Presentation was moved to be heard before the Committee considered Item 8 - State Legislative Position: SB 903 (Skinner).

CONSENT CALENDAR

5. Review Joint Water Policy and EENR Meeting Minutes
Action: Review and approve.

There was a motion to approve consent calendar. (M/S: M. Allawos, J. Guess)

[MOTION PASSED]

EENR Committee

AYES:	Claremont, Covina, Glendora, Pasadena, Pomona, Rosemead, San Dimas, South Pasadena
NOES:	
ABSTAIN:	
NO VOTE RECORDED:	San Gabriel
ABSENT:	Duarte, Monrovia

Water Committee

AYES:	Claremont, Diamond Bar, Glendora, Rosemead
NOES:	
ABSTAIN:	
NO VOTE RECORDED:	Monrovia
ABSENT:	TVMWD

ACTION ITEMS

6. State Legislative Position: AB 1912 (Pacheco)
There was a motion to recommend the Governing Board adopt Resolution 24-06 supporting AB 1912 (Pacheco). (M/S: M. Clark, M. Allawos)
[MOTION PASSED]

AYES:	Claremont, Covina, Glendora, Pomona, Rosemead, San Dimas, South Pasadena
NOES:	
ABSTAIN:	Pasadena
NO VOTE RECORDED:	San Gabriel
ABSENT:	Duarte, Monrovia

7. State Legislative Position: SB 1060 (Becker)
Staff was directed to postpone Item 7 to the next EENR meeting.
8. State Legislative Position: SB 903 (Skinner)
There was a motion to recommend the Governing Board adopt Resolution 24-08

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supporting SB 903 (Skinner).

(M/S: S. Liu, D. Fredendall)

[MOTION PASSED]

AYES:	Claremont, Diamond Bar, Glendora, Monrovia, Rosemead
NOES:	
ABSTAIN:	
NO VOTE RECORDED:	
ABSENT:	TVMWD

PRESENTATIONS

- 9. PFAS Presentation
Yvana Hrovat, P.E., Associate Water Resources Engineer, and Sarah Mass, P.E., Haley and Aldrich, Inc. presented on this item.

UPDATE ITEM

- 10. Water Working Group Chair Report

LIAISON REPORTS

- 11. Clean Power Alliance
- 12. San Gabriel Valley Mosquito and Vector Control District
- 13. Southern California Gas Company
- 14. South Coast Air Quality Management District (AQMD)
M. Cacciotti provided an update.

ANNOUNCEMENTS

- 15. Open Streets Mission-to-Mission Save the Date: Sunday, April 28, 2024

SGVCOG Management Analyst M. Bolger notified Committee members on the SGVCOG election process. Committee members discussed the ongoing coordination of joint meetings between the Energy, Environment, & Natural Resources (EENR) Committee and the Water Committee & Water Working Group. Chair J. Stark recognized and commended outgoing Councilmember J. Ebiner for his service at the SGVCOG and in San Dimas.

ADJOURN JOINT MEETING

EENR Chair and Water Committee Vice Chair Jennifer Stark adjourned the meeting at 11:33 AM.

REPORT

DATE: May 8, 2024
TO: Energy, Environment and Natural Resources Committee
FROM: Marisa Creter, Executive Director
RE: **STATE LEGISLATIVE POSITION: SB 1060 (BECKER)**

RECOMMENDED ACTION

Discuss and provide direction.

BACKGROUND

SB 1060 requires a property insurer that employs risk models for underwriting purposes to account for wildfire risk reduction associated with hazardous fuel reduction, home hardening, and defensible space. The bill also authorizes the department to examine underwriting models to ensure compliance with that risk model requirement and to issue orders that are necessary to ensure compliance.

Status.

SB 1060 passed out of the Senate Insurance Committee and is awaiting hearing in Senate Appropriations Committee.

Committee Update.

At the April EENR committee meeting, members raised concerns about the potential for this bill to discourage insurance companies from offering wildfire insurance in California.

According to a joint letter submitted by the American Property Casualty Insurance Association, the National Association of Mutual Insurance Companies, the Pacific Association of Domestic Insurance Companies, and the Personal Insurance Federation of California, Insurers must base their decisions, including for risk selection, according to individual business needs which are informed by numerous other factors, such as available capital, cost of reinsurance, and concentration risk. Thus, by providing CDI greatly expanded authority to issue orders necessary to ensure underwriting compliance, SB 1060 undermines the ability of carriers to manage their risk exposure and overall business needs.

Writing in support of the legislation, the County of Marin argues that widespread hazardous fuel reduction and structure hardening can substantially reduce an insurers' average annual losses. Importantly, the risk models that insurers use should take into account the benefits of hazardous fuel reduction, home hardening, and defensible space for homes, businesses, and communities – and accurately reduce the reduced risk of wildfire to those properties. As a result, they agree with the principals of SB 1060 that meaningful investments in mitigations should reduce the cost of insurance and/or increase availability to those properties and regions.

Further, by utilizing models that more correctly account for community- and parcel-level mitigation efforts, insurers will have a more complete picture of the actual wildfire risk of each

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property owner, which will enable them to make more informed decision about renewals, rate-setting and market saturation.

This staff report was prepared by Townsend Public Affairs (TPA). TPA staff are available to answer any questions.

Prepared by: Paulina Mejia
Paulina Mejia
Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – [Bill Text](#)

REPORT

DATE: May 8, 2024

TO: Energy, Environment and Natural Resources Committee

FROM: Marisa Creter, Executive Director

RE: **STATE LEGISLATIVE POSITION: SB 903 (SKINNER)**

RECOMMENDED ACTION

Discuss and provide direction.

BACKGROUND

SB 903 Prohibits, commencing January 1, 2030, a person from distributing, selling, or offering for sale in the state a product that contains intentionally added per- or poly-fluoroalkyl substances (PFAS) unless the use of PFAS is currently unavoidable, as defined. Authorizes the Department of Toxic Substances Control (DTSC) to establish regulations to administer the prohibition.

Status.

SB 903 has passed out of the Senate Environmental Quality Committee and awaits a hearing in Senate Appropriations.

Risk of PFAS.

PFAS exposure occurs mainly through ingestion of contaminated food or liquids. Exposure can also occur through inhalation of indoor air or contact with contaminated media. PFAS can be transferred from mother to child during pregnancy and breastfeeding. PFAS remains in the body for a long time, so as people continue to be exposed to PFAS, the PFAS levels in their bodies may accumulate.

According to DTSC, all PFAS display at least one of the hazard traits identified in California's Safer Consumer Products (Green Chemistry) Hazard Traits Regulations. Several PFAS bioaccumulate significantly in animals or plants and emerging evidence points to their phytotoxicity, aquatic toxicity, and terrestrial ecotoxicity. DTSC also contends that exposure to PFAS can lead to adverse health outcomes in humans. According to the US EPA, current peer-reviewed scientific studies have shown that exposure to certain levels of PFAS may lead to: reproductive effects such as decreased fertility or increased high blood pressure in pregnant women; developmental effects or delays in children, including low birth weight, accelerated puberty, bone variations, or behavioral changes; increased risk of some cancers, including prostate, kidney, and testicular cancers; reduced ability of the body's immune system to fight infections, including reduced vaccine response; interference with the body's natural hormones; and, increased cholesterol levels and/or risk of obesity. PFAS can cause these health harms at extremely low levels; California and the EPA warn of the health harms for some PFAS in the parts per trillion range (equivalent of one drop of water in 20 Olympic-sized swimming pools).

The True Cost of PFAS.

Mitigating both the exposure to PFAS and the consequent health effects can be costly. SB 903

proposes a regulatory framework for source reduction of PFAS. Stopping PFAS pollution before it is created prevents the further accumulation of PFAS in our bodies and in the environment.

Though it is difficult to put an exact number on quantified costs, a 2019 Nordic Council analysis of impacts from PFAS exposure in the European Economic Area estimated annual direct healthcare expenditures at €52-84 billion annually. Of note, this total does not account for indirect (and often unquantifiable) costs such as lost wages, lost years of life, reduced quality of life, and increases in stress, anxiety, and depression. These significant health related costs are borne by government institutions, health care providers, and taxpayers, not by the PFAS manufacturers themselves.

Another high cost of the pervasive PFAS contamination is remediation of water sources; at least 45% of the nation's tap water, including the water of 25.4 million Californians, is polluted by at least one PFAS chemical. While reducing the amount of PFAS in water is essential to protecting public health, according to the lead author of a study from the USGS regarding the ubiquity of PFAS contamination in water, "drinking water treatment plants typically do not have the infrastructure to remove PFAS." This imposes financial burdens on water utilities (and consequently, taxpayers) to install necessary infrastructure just to keep their own water safe. When EPA proposed national drinking water standards for six PFAS in 2023, it estimated annual costs to meet the proposed standards for PFOA and PFOS (just 2 of the PFAS contaminants) to be over \$650 million per year. In 2023, lawsuits against just two chemical manufacturers resulted in settlements over \$11 billion to compensate water utilities and municipalities for water contamination from PFAS, but this sum is likely inadequate to address the full scope of the problem.

Opposition.

According to a coalition of industry, under SB 903, manufacturers that use PFAS chemistries must petition DTSC and receive a determination that the use of PFAS in a product is a "currently unavoidable use." Otherwise, the product is prohibited beginning January 1, 2030. DTSC would evaluate petitions on a variety of criteria, including whether "the function provided by PFAS in the product is necessary for the product to work." Thousands of companies and the hundreds of thousands of products and product components these companies manufacture, could only remain in the marketplace pending a determination by DTSC staff that may or may not have any expertise with the chemistry involved, the manufacturing process, the function of the product or the complicated (often global) supply chains that bring these products and product components to California.

Support.

According to a coalition of supporters, including Association of California Water Agencies (ACWA), California Municipal Utilities Association (CMUA), League of California Cities, and Los Angeles County Sanitation Districts, "We need strong regulation of PFAS because they are linked to serious health effects, including cancer, decreased fertility, hormone disruption, liver disease, developmental harm, and immune system suppression, including interference with the efficacy of vaccines. PFAS can cause health harms at extremely low exposures, with California and EPA warning of the potential for health harms for some PFAS below the parts per trillion range (the equivalent of one drop of water in 20 Olympic-sized swimming pools). Because they do not break down readily, or break down into other PFAS, these chemicals have become pervasive

in the environment. Consequently, human exposures to PFAS occur through working in industrial settings, the use of products that contain the chemicals, and through the environment, including our food, water, and air, that is contaminated from the production, use and disposal of PFAS-containing consumer and industrial products.

DISCUSSION

At the April Governing Board Meeting, members raised concerns about supporting this legislation and sent it back to the committee for further discussion. Members raised questions related to the potential impacts of this legislation on businesses due both to the breadth of the bill and the timeline.

The bill currently defines PFAS very broadly to include any fluorinated organic chemicals containing at least one fully fluorinated carbon atom. This is because any of these chemicals are known to have health impacts. The bill also enables businesses to apply to DTSC for an exemption from this restriction if it is currently unavoidable not to use, meaning 1) there are no safer alternatives to PFAS that are reasonably available, 2) the function provided by PFAS in the product is necessary for the product to work, or 3) the use of PFAS in the product is critical for health, safety, or the functioning of society. The exemption could enable businesses with no viable alternatives to continue to use PFAS until an alternative is developed, which should lessen the economic burden the bill otherwise might place on businesses.

The bill originally required businesses to comply by 2030, which to some might seem like an unreasonably soon deadline. To ameliorate that concern, the author has amended the bill to move the deadline to 2032.

This staff report was prepared by Townsend Public Affairs (TPA). TPA staff are available to answer any questions.

Prepared by: Paulina Mejia
Paulina Mejia
Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – [Bill Text](#)
Attachment B – [SB 903 Fact Sheet](#)

REPORT

DATE: May 8, 2024

TO: Energy, Environment and Natural Resources Committee

FROM: Marisa Creter, Executive Director

RE: **STATE LEGISLATIVE POSITION: AB 1999 (IRWIN)**

RECOMMENDED ACTION

For information only.

BACKGROUND

AB 1999 permits the CPUC to authorize fixed charges that, as of January 1, 2015, do not exceed \$5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and that do not exceed \$10 per residential customer account per month for customers not enrolled in the CARE program. The bill would authorize these maximum allowable fixed charges to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, beginning January 1, 2016.

Status.

AB 1999 was pulled out of the Assembly Utilities and Energy Committee and re-referred to the Rules Committee.

Committee Update.

At the March Governing Board Meeting, members approved a support position for AB 1999.

The Legislature has been concerned since hearing from constituents about Pacific Gas and Electric rate hikes that the California Public Utilities Commission approved late last year. About 20 legislators signed on to Assemblymember Jacqui Irwin's AB 1999, which would halt a CPUC proceeding to restructure electric bills around a fixed monthly fee.

Constituents raised such issue with the CPUC proposal that Assembly Speaker Robert Rivas' office recorded a new greeting on its public directing the bill's backers to press 1, according to Jennifer Tanner, founder of Indivisible California Green Team, a climate advocacy group that has urged people to call in.

However, Rivas kept the bill from being heard on April 22nd by pulling it from the policy committee back to the Rules Committee. A spokesperson said Rivas believes the CPUC's proposal to add \$24 to most customers' bills — unveiled in March, after Irwin's bill — will save customers money, not cost them more.

“The Speaker appreciates his colleague's legislative scrutiny of the PUC and the governor's plan, and as a result believes it is no longer necessary to move AB 1999 forward in its current form,” his spokesperson Cynthia Moreno said in an email. “Conversations with the author continue

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regarding amendments, including assurances that any changes in the fixed charge are revenue neutral for utilities and not a means to increase their profits.”

Townsend Public Affairs (TPA) Deputy Director Eric Thronson will present on this item.

This staff report was prepared by TPA. TPA staff are available to answer any questions.

Prepared by: Paulina Mejia
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Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – [Bill Text](#)

REPORT

DATE: May 8, 2024

TO: Energy, Environment and Natural Resources Committee

FROM: Marisa Creter, Executive Director

RE: CALIFORNIA GAS TAX UPDATE

RECOMMENDED ACTION

For information only.

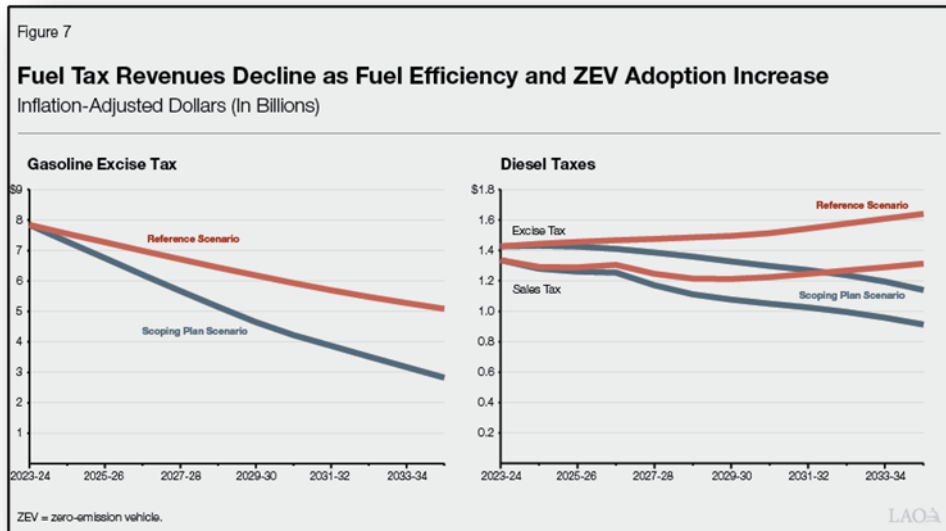
BACKGROUND

For decades, California has been a national leader in fighting climate change, utilizing many different initiatives and programs to reduce greenhouse gas (GHG) emissions in the state. To pursue this effort, the California Air Resources Board (CARB) regularly updates its Scoping Plan to lay out the state's strategy for achieving its goals. Among other things, the Scoping Plan includes specific policies targeted at increasing the adoption of zero-emission vehicles (ZEVs), increasing the use of lower-carbon fuels, and reducing the number of vehicle miles traveled (VMT).

While these efforts should assist in accomplishing CARB's mission of GHG reduction, it will come at a cost. In a recent report titled "Assessing California's Climate Policies – Implications for State Transportation Funding and Programs," the Legislative Analyst's Office (LAO) estimates how much meeting the state's GHG reduction goals could impact existing state transportation revenues and programs. The news is not good.

Specifically, the LAO concludes that CARB's policy directives for GHG emission reduction will have dramatic negative impacts on the state's transportation revenues. This is because the vast majority of transportation funding in California is derived from taxes on motor fuels such as gasoline and diesel. If people are driving more fuel-efficient vehicles (or zero-emission vehicles), and are driving fewer miles in total, then the state is collecting less fuel tax revenues.

Compared to current transportation funding levels, the LAO projects dramatic revenue declines over the next decade from the state's gasoline excise tax (\$5 billion or 64 percent), diesel excise tax (\$290 million or 20 percent), and diesel sales tax (\$420 million or 20 percent). On net, the LAO estimates that if the state follows CARB's Scoping Plan to reduce GHGs, annual state transportation revenues will decline by \$4.4 billion (31 percent) over the next decade as compared to current levels.



Source: Legislative Analyst's Office Report

The projected revenue declines will result in certain state transportation programs having less capacity to support state and local transportation projects and activities. For instance, the LAO projects funding for Caltrans' highway maintenance programs will drop by roughly \$1.5 billion (26 percent) over the next decade, from \$5.7 billion to \$4.2 billion. In addition, the LAO estimates that the State Transit Assistance program, which funds local transit operations, will experience funding declines of about \$300 million by 2034-35, or about one third of its total funding.

In cases where programs distribute funding to local governments, such as for local streets and roads and transit, the magnitude of the impacts will vary across jurisdictions. In general, jurisdictions that historically have been more dependent on state funding for their local efforts will experience greater impacts across their transportation systems, likely resulting in reduced services and/or poorer road conditions for their residents.

In order to maintain our local streets and roads and transit funding, one of two things must happen: either the state needs to reverse its efforts to reduce GHG emissions from the transportation sector (which is highly unlikely), or the state will need to find an alternative funding source for its transportation needs. While the state has several approaches it could pursue to replace the dwindling tax revenues, each comes with various benefits and trade-offs that will need to be considered.

The LAO proposes options for addressing the funding gaps which include:

- Increasing existing fuel taxes to try and maintain funding levels
- Increasing other existing vehicle fees to replace the dwindling fuel tax revenues
- Supplementing with other funding sources like the General Fund or Cap-and-Trade revenues
- Implementing a new mechanism for collecting transportation revenue e.g. a road charge

REPORT

- Implementing new taxes on alternative fuels and dedicating the revenues to transportation

Beginning to weigh these options now is critical before revenue declines become more significant. However, it appears that this issue is not on the Legislature's radar. There has been no legislation introduced this year to address this concern, and the Governor's budget does not acknowledge the impending revenue declines. Therefore, it is upon our local municipal leaders to begin presenting our concerns about future local transportation funding to our representatives.

Townsend Public Affairs (TPA) Deputy Director Eric Thronson will present on this item.

This staff report was prepared by TPA. TPA staff are available to answer any questions.

Prepared by: Paulina Mejia
Paulina Mejia
Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

DATE: May 8, 2024

TO: SGVCOG Energy, Environment, and Natural Resources Committee

FROM: South Coast Air Quality Management District

RE: **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LIAISON REPORT**

Compliance Training

[Compliance assistance training](#) is provided by South Coast AQMD to enhance understanding of applicable air quality regulations, introduce new control technologies and assist industry with achieving and maintaining compliance with federal, state and local clean air requirements.

Classroom Instruction

South Coast AQMD offers a variety of courses that provide participants with the opportunity to interact with South Coast AQMD compliance staff, learn more about existing and upcoming air quality regulations applicable to their industry and resources to assist industry in achieving their clean air goals. Each course is taught by experienced inspectors or other specialists with extensive knowledge of the equipment, processes and regulatory requirements associated with each topic.

Courses currently being offered by South Coast AQMD include:

- [Asbestos Demolition & Renovation](#) (Rule 1403)
- [Certified Person](#) (Rules 463 & 1178)
- [Certified Inspector --Sumps and Wastewater Separators](#) (Rule 1176)
- [Controlling Fugitive Dust](#) (Rule 403 & 403.1)
- [Gasoline Transfer & Dispensing](#) (Rule 461)
- [Hexavalent Chromium](#) (Rule 1469)
- [Combustion Gas Portable Analyzer Training & Certification](#) (Rules 1146, 1146.1 & 1110.2)
- [Employee Transportation Coordinator \(ETC\) Training](#) (Rule 2202)

Due to the popularity of this training, all classes require pre-registration; no walk-in registration is available.

Workshops

[Chip and Grind Operators, Green Waste/Food Waste Composters, and Co-Composters](#) (Rules 1133, 1133.1, 1133.2, 1133.3)