

## **ALISO FUND COMMITTEE ANNUAL REPORT**

### **TO THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA, THE LOS ANGELES CITY ATTORNEY, AND THE COUNTY COUNSEL FOR THE COUNTY OF LOS ANGELES**

**January 1, 2024, to December 31, 2024**

#### **I. Background**

##### **A. Consent Decree and Aliso Fund**

On February 25, 2019, the Los Angeles County Superior Court approved the Consent Decree among the People of the State of California, acting by and through Attorney General Xavier Becerra (“Attorney General”), in his independent capacity and on behalf of the California Air Resources Board (“CARB”), Michael N. Feuer, City Attorney for the City of Los Angeles (“LACA”), and Mary C. Wickham, County Counsel for the County of Los Angeles (“County Counsel”) (collectively, the “People”), the County of Los Angeles (the “County”), and defendant Southern California Gas Company (“SoCalGas”) (the “Consent Decree”).<sup>1</sup> The Consent Decree generally resolves the legal claims of the County and the People (collectively, “Government Plaintiffs”) against SoCalGas relating to the leak of natural gas from SoCalGas’s Aliso Canyon Natural Gas Storage Facility in October 2015. Pursuant to the Consent Decree, SoCalGas agreed to pay \$45.4 million (\$45,400,000) for supplemental environmental projects (“SEPs”), to be selected by the Attorney General, LACA, and County Counsel in accordance with a Supplemental Environmental Project Agreement (“SEP Agreement”). The SEP Agreement is Appendix D of the Consent Decree.

The SEP Agreement generally establishes how the settlement funds allocated to SEPs will be spent, by establishing six agreed-upon SEPs<sup>2</sup> and providing for the creation of the Aliso Supplemental Environmental Project Fund (“Aliso Fund”) to act as a repository for, and oversee distribution of, some of the SEP funds. Prior to the disbursement of any funds to implement a SEP, the Aliso Fund Committee must enter into a SEP Recipient Agreement with the agency charged with the administration of the SEP.

The Aliso Fund currently is administered by the Attorney General’s Office (“Administrator”). The Aliso Fund Committee comprises one representative each for the Attorney General, LACA, and the County Counsel. Currently, the members of the Aliso Fund Committee are Catherine M. Wieman (Attorney General’s representative), Jessica B. Brown (LACA’s representative), and Jon Scott Kuhn (County Counsel’s representative).

Paragraph 3.7, subdivision (h)(v)(6), of the SEP Agreement requires the Aliso Fund Committee to prepare an annual report to the Attorney General, LACA, and the County Counsel detailing the use of the funds in the Aliso Fund during the prior calendar year.

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<sup>1</sup> *People v. Southern California Gas Company*, JCCP No. 4861, Los Angeles Superior Court, Case Nos. BC602973 and BC628120 (“SoCalGas Leak Litigation”).

<sup>2</sup> Three of those six SEPs (Nos. 3, 5 and 6 in the SEP Agreement) were funded directly through the County rather than through the Aliso Fund. The Aliso Fund Committee periodically requests information and/or updates regarding the status of and expenditures relating to those SEPs.

## **B. Mitigation Account and Mitigation Certification**

On June 23, 2022, pursuant to Section 2.f of the Mitigation Agreement, which is Appendix A of the Consent Decree, CARB filed with the court in the SoCalGas Leak Litigation the notice of Mitigation Certification, indicating that SoCalGas has satisfied its methane emission mitigation obligation under the Consent Decree. Pursuant to the terms of the Consent Decree and Mitigation Agreement, five years from the date on which the Mitigation Certification was submitted to the court (i.e., on or within 10 days after June 23, 2027), CARB shall request that any monies remaining in the Mitigation Account and the Mitigation Reserve be distributed into the Aliso Fund, as set forth in Section 6.a of the Mitigation Agreement.

## **II. Summary of Previous (Calendar Year 2023) Annual Report**

As of January 1, 2023, the total balance of the Aliso Fund was \$1,909,484.42. In 2023, no funds were disbursed to SEPs. Administrative costs for the previous year (2022) were paid, which amounted to \$2,255.00. Total interest accrued was \$53,166.00, and there was no other income. Final account balance as of December 31, 2023, was \$1,960,395.42.

## **III. 2024 Annual Report**

### **A. Calendar Year 2024**

The following is a summary of the status of the Aliso Fund as of December 31, 2024, and other data on income, disbursements, and costs/expenses incurred in 2024:

<b>Ending account balance (Dec. 31, 2024)</b>	<b>\$2,042,968.78</b>
Starting account balance (Jan. 1, 2023)	\$1,960,395.42
Change in account value	\$82,573.36
<b>Total income</b>	<b>\$84,278.36</b>
Interest income	\$84,278.36
Other income	\$0
<b>Total disbursements*</b>	<b>\$0</b>
Disbursements to SEP projects	\$0
Other disbursements	\$0
<b>Total costs/expenses paid</b>	<b>\$1,705.00</b>
2023 administrator costs paid in 2024	\$1,705.00
Other costs/expenses incurred	\$0

\*A previously-projected disbursement of \$1.5 million for SEP No. 2 did not occur in 2024. As discussed below, it is expected that multiple disbursements for SEP No. 2, totaling \$1.5 million, will begin in 2025.

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## B. Calendar Year 2025

The following is a summary of projected data for 2025:

<b>Total anticipated income</b>	<b>&lt; \$100,000</b>
Anticipated interest income	< \$100,000
Anticipated other income <sup>3</sup>	\$0
<b>Total anticipated disbursements</b>	<b>Up to \$1,500,000</b>
Anticipated disbursements to SEP projects	Up to \$1,500,000
Other anticipated disbursements	\$0
<b>Total anticipated costs/expenses paid</b>	<b>\$2,715.00</b>
2024 administrator costs paid in 2025	\$2,715.00

The Aliso Fund Committee anticipates disbursing funds to the following SEP beginning in 2025:

- SEP No. 2: \$1.5 million for development of an air monitoring system and a symptom and environmental incident reporting system in one or more environmental justice communities in Los Angeles County.

The Committee does not anticipate funding additional SEP projects in 2025.

## C. Status of Projects Funded by the Aliso Fund

A brief update follows regarding the status of each of the SEPs funded by the Aliso Fund to date. This update includes information obtained from the Aliso Fund Committee and known as of April 22, 2025.

SEP No. 1: In 2021, the Aliso Fund disbursed \$7.1 million to the South Coast Air Quality Management District (South Coast AQMD) for installation of air filtration systems in schools in environmental justice communities in the County or City of Los Angeles. The Aliso Fund Committee and South Coast AQMD negotiated an agreed-upon list of schools at which filtration systems would be installed prior to disbursement of the funds. South Coast AQMD retained IQAir to implement SEP No. 1, and reached out to the Los Angeles Unified School District (“LAUSD”) to begin implementation. LAUSD proposed some modifications to the agreed-upon list of schools. The Aliso Fund Committee has reviewed and approved those changes, and South Coast AQMD is working with IQAir to begin installation of air filtration systems. As of December 31, 2023, IQAir completed 19 school assessments and air filtration system installations. The remaining 32 schools were completed in 2024. South Coast AQMD informed the Aliso Fund Committee that it has an additional \$229,000 left over after implementation, and has requested approval to install air filtration systems at two additional schools in 2025.

SEP No. 2: The Aliso Fund disbursed \$1.5 million to South Coast AQMD in 2021 to fund the installation of an air monitoring system and symptom and incident reporting system in the communities surrounding the Aliso Canyon Natural Gas Storage Facility. South Coast AQMD held

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<sup>3</sup> The expectation is that interest income will be the sole income of the Aliso Fund in 2025. The Aliso Fund Committee does not expect income from the following sources in 2025: Mitigation Reserve, Mitigation Project Proceeds, or Returned SEP Monies.

public meetings, issued a Request for Proposals, and ultimately selected ARGOS and UCLA to implement this portion of the air monitoring SEP. ARGOS and UCLA have installed and are operating 5 methane monitors, one open-path monitor for methane, and 2 systems measuring BTEX compounds. Air monitoring data is provided to the public via a dedicated public data portal, found at <https://prcamp.argos-sci.info/>. Additional monitoring equipment has been installed but is awaiting connection to the electrical power grid. The Aliso Fund Committee continues to work to finish the implementation of SEP No. 2, which involves development of an air monitoring system and a symptom and/or environmental incident reporting system in one or more environmental justice communities in Los Angeles County. The Aliso Fund Committee anticipates finalizing an amended SEP Grant Agreement with OEHHA and commencing the disbursement of funds in the third quarter of 2025.

SEP No. 4: The Aliso Fund disbursed \$3 million to LAUSD for purchase of electric school buses and infrastructure in 2021. LAUSD has purchased the buses and anticipates receipt of the buses in 2025. LAUSD is required to report annually to the Aliso Fund Committee regarding expenditures relating to SEP No. 4. The Aliso Fund Committee is awaiting LAUSD's annual report, as well as updates regarding the status of the buses.

#### **D. Additional Updates**

There are no additional updates to report at this time.

Report prepared by:  
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