

**PRIVILEGED & CONFIDENTIAL
ATTORNEY WORK PRODUCT
ATTORNEY-CLIENT COMMUNICATION**

March 27, 2026

MEMORANDUM

To: Philip M. Fine, Executive Officer/APCO ^{Initial} *PMF* 3/27/2026

Via: Alexander Crockett, General Counsel ^{Initial} *AC* 3/27/2026
Alexandra Kamel, Senior Assistant Counsel

From: Galina Velikovich, Assistant Counsel ^{Initial} *GV* 3/27/2026

Re: Settlement Agreement with Sustainable Organic Solutions for NOVs #A61178, #A61179, #A61180, #A61181 & #A63609

RECOMMENDED ACTION

Sign the attached settlement agreement with Anheuser-Busch LLC.

BACKGROUND

The Air District has resolved NOV #A61178, #A61179, #A61180, #A61181 & #A63609 with Anheuser-Busch LLC, a brewery located in Fairfield, CA for \$2,300,000. The above NOVs were issued for elevated emissions, operation of an uncertified continuous emissions monitoring system, failure to submit required reporting, unpermitted operation of equipment and performance contrary to material representations made in permit applications. Prior to receiving the Air District's settlement offer, Anheuser-Busch chose to shut down the Fairfield facility due to restructuring. The facility is currently shut down with no known plans for restarting operations. This settlement reflects the parties' consideration of all relevant facts and circumstances, as required by Health and Safety Code section 42403.

1 Settlement Agreement
2 By and Between
3 The Bay Area Air Quality Management District
4 and
5 Anheuser-Busch, LLC

6 (Notices of Violation A61178, A61179, A61180, A61181 & A63609)

7 1. The Bay Area Air Quality Management District (“Air District”) is the regional
8 governmental agency charged with the primary responsibility for maintaining healthy air quality in the
9 San Francisco Bay Area.

10 2. Anheuser-Busch, LLC (Anheuser-Busch) operates a malt beverage production facility
11 located at 3101 Busch Drive, in Fairfield, CA.

12 3. The Air District alleges that, at all relevant times, Anheuser-Busch was subject to and
13 violated Air District regulations as described in Notices of Violation (NOVs) A61178, A61179, A61180,
14 A61181 & A63609, which are, by this reference, incorporated into this Settlement Agreement.

15 4. The Parties agree to settle NOVs A61178, A61179, A61180, A61181 & A63609 for
16 payment by Anheuser-Busch to the Air District of a civil penalty in the amount of **two million three**
17 **hundred thousand dollars (\$2,300,000)**. Anheuser-Busch’s entry into this Settlement Agreement is not
18 and shall not be construed as an admission of any liability, or wrongdoing or responsibility, with respect
19 to violation of any rule, law, statute, policy or regulation.

20 5. Anheuser-Busch shall pay the \$2,300,000 civil penalty specified in Paragraph 4 above
21 within thirty (30) calendar days after the Effective Date of this Settlement Agreement in accordance
22 with the payment provisions set forth in Paragraph 6 below. If Anheuser-Busch fails to pay the full
23 penalty by the due date, Anheuser-Busch shall pay the Air District a stipulated penalty of two thousand
24 three hundred dollars (\$2,300) for each day after the due date on which the Air District has not received
25 full payment.

26 6. Anheuser-Busch shall pay the \$2,300,000 civil penalty specified in Paragraph 5, and any
27 stipulated penalties owed under this Settlement Agreement, by check, made payable to the “Bay Area
28 Air Quality Management District” and with “NOVs No. A61178, A61179, A61180, A61181 &

1 A63609” written on the cover page accompanying the check. Anheuser-Busch shall mail the check via
2 Federal Express or comparable delivery service that offers tracking information to:

3 Bay Area Air Quality Management District
4 Office of the General Counsel
5 Alexander Crockett, General Counsel
6 375 Beale Street, Suite 600
7 San Francisco, California 94105

8 Upon initiating the mailing or delivering the check, Anheuser-Busch shall notify the Air District via
9 email at gvelikovich@baaqmd.gov, and shall attach with the email a completed Internal Revenue
10 Service Form W-9 for Anheuser-Busch. Anheuser-Busch shall be responsible for all payment
11 processing, check cancellation, and other fees and costs associated with making penalty payments under
12 this Paragraph 6.

13 7. Anheuser-Busch’s full payment of the \$2,300,000 civil penalty specified in Paragraph 5
14 above and complete satisfaction of all of its other obligations under this Settlement Agreement will fully
15 and finally settle, conclude and resolve all claims that have been or could have been asserted between
16 the Air District and Anheuser-Busch arising out of or related to the allegations and conduct that are the
17 basis for NOVs A61178, A61179, A61180, A61181 & A63609. In consideration of full payment of the
18 civil penalty specified in Paragraph 5 and satisfaction of all other obligations under this Settlement
19 Agreement, the Air District hereby releases Anheuser-Busch and its principals, officers, receivers,
20 trustees, successors and assignees, subsidiary and parent corporations, from any claims the Air District
21 may have based on the allegations and conduct that are the basis for NOVs A61178, A61179, A61180,
22 A61181 & A63609.

23 8. Nothing in this Settlement Agreement shall be construed as limiting the ability of the Air
24 District to take future enforcement action arising out of violations or alleged violations not covered by
25 this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall be construed as
26 limiting the rights of the Air District to rely on the violations alleged in NOVs A61178, A61179,
27 A61180, A61181 & A63609, and to offer proof thereof, in any such future enforcement action for
28 purposes of demonstrating Anheuser-Busch’s frequency of past violations pursuant to Health & Safety
Code section 42403(b)(4) or other applicable provision of law. Anheuser-Busch reserves the right to
challenge an increase in penalties in connection with any future alleged violations and to contest any

1 offers of proof and present any evidence disputing the events or allegations described in NOV's A61178,
2 A61179, A61180, A61181 & A63609.

3 9. Anheuser-Busch's failure to perform any of the terms or conditions of this Settlement
4 Agreement will render Anheuser-Busch in violation of the Settlement Agreement, and the Air District
5 may, at its sole discretion, void this Settlement Agreement, upon written notice to Anheuser-Busch, or
6 take any other action to enforce the Settlement Agreement. The failure by a Party to enforce any
7 provision of this Settlement Agreement shall not be construed as a waiver of such provision, nor shall it
8 prevent the Party thereafter from enforcing such provision or any other provision of this Settlement
9 Agreement. The rights and remedies granted to each Party herein are cumulative, and the election of one
10 right or remedy by a Party shall not constitute a waiver of such Party's right to assert all other remedies
11 available to it under this Settlement Agreement or as otherwise provided by law.

12 10. Unless otherwise specified in this Settlement Agreement, whenever one Party is required
13 to provide notice to the other Party under this Settlement Agreement, the notice shall be provided in
14 writing by first class mail and email addressed as follows:

15 As to the Air District:

16 Galina Velikovich
17 Assistant Counsel II
18 Bay Area Air Quality Management District
19 375 Beale Street, Suite 600
San Francisco, CA 94105
gvelikovich@baaqmd.gov

As to Anheuser-Busch:

Jay P. Eversman, Esq.
Associate General Counsel
Anheuser-Busch, LLC
One Busch Place
St. Louis, MO 63118
jay.eversman@anheuser-busch.com

20 Either Party may change its contact information for purposes of notices, at any time, by giving notice of
21 such change in conformity with the notice provisions of this paragraph. Notices provided pursuant to
22 this paragraph shall be deemed to be provided and received upon emailing and five days from mailing,
23 as applicable.

24 11. This Settlement Agreement binds Anheuser-Busch, and any principals, officers,
25 receivers, trustees, successors and assignees, subsidiary and parent corporations, and the Air District and
26 any successor agency that may have responsibility for and jurisdiction over the subject matter of this
27 Settlement Agreement.

28 12. The Superior Court of California, County of San Francisco, shall hear any dispute

1 between the Parties arising from this Settlement Agreement.

2 13. This Settlement Agreement shall be interpreted and enforced in accordance with the laws
3 of the State of California, without regard to California's choice-of-law rules.

4 14. Both Parties have jointly participated in the drafting and reviewing of this Settlement
5 Agreement. Accordingly, the Parties agree that any rule of construction to the effect that any ambiguities
6 are to be resolved against the drafting party shall not be applied in interpreting this Settlement
7 Agreement.

8 15. This Settlement Agreement is not a permit, or a modification of any permit, under any
9 federal, State, or local laws or regulations. Anheuser-Busch is responsible for achieving and maintaining
10 compliance with all applicable federal, State, and local laws, regulations, and permits; and Anheuser-
11 Busch's compliance with this Settlement Agreement shall not be a defense to any action commenced
12 pursuant to any such laws, regulations, or permits. The Air District does not, by its execution of this
13 Settlement Agreement, warrant or aver in any manner that Anheuser-Busch's compliance with any
14 aspect of this Settlement Agreement will result in compliance with any provisions of federal, State, or
15 local laws, regulations, or permits.

16 16. The Parties understand and agree that the penalties provided for and payable under this
17 Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7),
18 which provides that a debt may not be discharged in bankruptcy to the extent such debt is for a fine,
19 penalty, or forfeiture payable to and for the benefit of a governmental unit.

20 17. The settlement of the matters covered by this Settlement Agreement without further
21 litigation is fair, reasonable, and in the interests of the Air District, Anheuser-Busch, and the public. The
22 Parties, and each of them, (i) have participated fully in the review and drafting of this Settlement
23 Agreement; (ii) understand and accept all of the terms of this Settlement Agreement; (iii) enter into this
24 Settlement Agreement freely and voluntarily; (iv) have had an opportunity to consult with legal counsel
25 regarding this Settlement Agreement; (v) are fully informed of the terms and effect of this Settlement
26 Agreement; (vi) have agreed to this Settlement Agreement after independent investigation and agree that
27 it was not arrived at through fraud, duress, or undue influence; and (vii) knowingly and voluntarily
28 intend to be legally bound by this Settlement Agreement.

1 18. Each provision of this Settlement Agreement is severable, and in the event that any
2 provision, or part thereof, of this Settlement Agreement is held to be illegal, invalid or unenforceable in
3 any jurisdiction, the remainder of this Settlement Agreement shall remain in full force and effect.

4 19. This Settlement Agreement constitutes the entire agreement and understanding between
5 the Parties, and it fully supersedes and replaces any and all prior negotiations and agreements of any
6 kind or nature, whether written or oral, between the Parties, concerning the matters covered herein.

7 20. No agreement to modify, amend, extend, supersede, terminate, or discharge this
8 Settlement Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and
9 signed by both Parties.

10 21. This Settlement Agreement may be executed in one or more counterparts, each of which
11 shall have the same force and effect as an original, but all of which together shall constitute one and the
12 same instrument. Electronic, facsimile, and photocopied signatures shall be valid signatures.

13 22. The Effective Date of this Settlement Agreement shall be the date upon which it is fully
14 executed.

15 23. Each of the undersigned expressly represents that they are authorized to execute this
16 Settlement Agreement on behalf of, and to bind, the Party for whom they sign below.

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So agreed, stipulated and executed:

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105

Anheuser-Busch, LLC
One Busch Place
St. Louis, MO 63118

Signed by: 
By: Philip M. Fine 3/27/2026
98506AF9981D4CC... Date
Executive Officer/APCO


By: Seth Hawkins 3/16/26
Date
Vice President and General Counsel

Approved as to Form By:

Bay Area Air Quality Management
Office of the General Counsel
Alexander G. Crockett
General Counsel
Galina Velikovich
Assistant Counsel II

Signed by: 
By: Alexander G. Crockett 3/27/2026
6DC7110552B5451... Date
General Counsel