

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, June 19, 2019 – 9:00 a.m.
1215 K Street, Suite 1650 – Board Room
Sacramento, CA 95814**

MINUTES

Call to Order, Determination of Quorum and Self Introductions

Chair, Supervisor Matt Kingsley, Inyo County, called the meeting to order at 9:03 a.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Brian Oneto	Amador
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Lori Parlin	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Matt Kingsley	Inyo
E.J. Crandell	Lake
Aaron Albaugh	Lassen
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Diane Dillon	Napa
Dan Miller	Nevada
John Peschong	San Luis Obispo
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Mat Conant	Sutter
Bob Williams	Tehama
Jeremy Brown	Trinity
Kuyler Crocker	Tulare
Sherri Brennan	Tuolumne
Randy Fletcher	Yuba

Absent

Doug Teeter	Butte
Michael Kelley	Imperial
David Rogers	Madera

Jim Holmes	Placer
Kevin Goss	Plumas
Anthony Botelho	San Benito
Lynda Hopkins	Sonoma
Gary Sandy	Yolo

Others in Attendance

Wade Crowfoot, California Natural Resources Agency
Heather Williams, California Natural Resources Agency
Richard Reed, Yolo County
Jeffrey Thorsby, Nevada County
Jamme Yang, Yuba County
Emily Goodwin, Ygrene Energy Fund
Randy Hanvelt

Staff in Attendance

Greg Norton, President and CEO
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Justin Caporusso, Vice President External Affairs
Paul A. Smith, Vice President Governmental Affairs
Mary-Ann Warmerdam, Senior Legislative Advocate
Tracy Rhine, Legislative Advocate
John Kennedy, Legislative Advocate
Staci Heaton, Regulatory Affairs Advocate
Arthur Wylene, General Counsel
Barbara Hayes, Chief Economic Development Officer
Michael Likosky, Director of Infrastructure
Maggie Chui, Governmental Affairs Coordinator
Sarah Bolnik, Economic Development Specialist
Leigh Kammerich, Regulatory Affairs Specialist
Layne Frederickson, IT Director
Sanjay Lee, Accountant
Liz Jensen, Accountant

Pledge of Allegiance

Approval of Minutes – May 2, 2019

Chair, Supervisor Matt Kingsley, called for approval of the minutes from the May 2, 2019 Board of Directors Meeting.

Supervisor Les Baugh, Shasta County, motioned to approve the minutes from the May 2, 2019 Board of Directors Meeting. Supervisor Denise Carter, Colusa County, seconded the motion. Motion passed.

Abstaining: Supervisor Brian Oneto, Amador County; Supervisor Lori Parlin, El Dorado County; Supervisor John Viegas, Glenn County; Supervisor Carre Brown, Mendocino County; Supervisor Mat Conant, Sutter County

RCRC Chair's Report

Chair, Matt Kingsley, welcomed fellow supervisors to the June RCRC Board of Directors meeting. Supervisor Kingsley and Supervisor Kevin Cann, Mariposa County, spoke briefly about the Western Governors' Association's 2019 Annual Meeting that took place June 10-12, 2019 in Colorado.

Supervisor Kingsley thanked RCRC staff and RCRC Board Members for their attendance at the May RCRC Board of Directors meeting in Inyo County.

Member County Concerns and Issues

Supervisor Dan Miller, Nevada County, spoke about Assembly Bill 1299 (Chapter 603, 2016) regarding presumptive transfers of foster youth for mental health services. Assembly Bill 826 (Reyes) aims to fix problems associated with AB 1299 by providing a reimbursement mechanism to counties. Supervisor Miller urged RCRC Member Counties to support AB 826.

Supervisor John Viegas, Glenn County, shared his concern regarding inadequate ambulance and Local Emergency Medical Services Agencies funding.

Supervisor Denise Carter, Colusa County, voiced her concern regarding migrant farm worker housing. Supervisor Carter indicated that state dollars are not adequate while counties are expected to pay more.

Supervisor Kuyler Crocker, Tulare County, expressed his gratitude to RCRC Board Members and RCRC staff for their support of the Safe & Affordable Drinking Water Fund.

Supervisor Michael Kobseff, Siskiyou County, shared that the State of California successfully closed escrow with The Nature Conservancy (TNC) on a 5,000-acre parcel of land. Supervisor Kobseff is pleased that cattle grazing will continue, and that TNC voluntarily provided funds to offset losses in property tax revenues for the next 12 years.

Supervisor Gerry Hemmingsen, Del Norte County, shared his concern about closing the gap on Del Norte County's budget year-after-year, and spoke about the county's inability to afford its juvenile hall.

Supervisor Bob Williams, Tehama County, shared that Fiona Ma, California State Treasurer, is leading a statewide tour on low-income housing, and encouraged fellow Supervisors to attend.

Supervisor Les Baugh, Shasta County, thanked RCRC staff on awarding a grant to assist property owners affected by the Carr Fire.

Supervisor Stacy Corless, Mono County, conveyed her concern regarding the U.S. Forest Service not being helpful to counties as it pertains to Fire Assistance Agreements.

Supervisor David Griffith, Alpine County, thanked RCRC staff for their assistance on coordinating a meeting for Alpine County and the California Fish and Game Commission to address the Hope Valley's Lands Pass Program.

Supervisor Griffith also spoke about his concern regarding not being reimbursed for search and rescue operations that are conducted on public lands. Supervisor Griffith asked if other RCRC Member Counties are experiencing this problem.

Supervisor Griffith also shared that Alpine County recently had a minor information technology issue, and noted that the California Office of Emergency Services was able to help them in getting the system back in operation.

Supervisor Geri Byrne, Modoc County, shared that she was pleased that Brian Dahle won the California State Senate District 1 seat. With that, though, more special elections will need to be conducted to fill his vacant Assembly seat. Supervisor Byrne wondered if the county could be reimbursed for special elections.

Supervisor Byrne also spoke about Assembly Bill 1810 (Assembly Transportation Committee), which makes a number of changes relating to transportation. Supervisor Byrne is pleased with the inclusion of cattle guards maintenance on county roads.

Supervisor Sherri Brennan, Tuolumne County, echoed Supervisor Hemmingsen's concern regarding county annual budgets, and noted that Tuolumne County is also facing issues on funding their juvenile treatment facilities.

Supervisor Baugh also expressed his concerns regarding funding of juvenile halls, and shared that the Newsom Administration has developed a task force to address the issue.

Supervisor Mat Conant, Sutter County, shared his concern regarding juvenile hall-related costs, and the difficulty of closing the gap on the county's budget year-after-year.

Supervisor Jeremy Brown, Trinity County, asked for feedback from fellow Supervisors regarding successful jail programs that Trinity County can possibly replicate. Trinity County broke ground on a new jail several weeks ago.

Public Comments

None.

Guest Speaker

Wade Crowfoot, Secretary, California Natural Resources Agency (CNRA), provided an overview of the CNRA and its key priorities - wildfire and water issues. Secretary Crowfoot recognized that conditions in the forest will continue to worsen, and stated that the problems are due to a combination of lack of forest health management, extreme

forest conditions, and people being exposed to more harm. The CNRA is focusing on forest management and community awareness. Secretary Crowfoot shared that in order for water infrastructure to be successful, forest management needs to be addressed. As such, the CNRA will also focus on conveyance, levee strengthening, and supply/storage. The CNRA is hoping to provide a clear road map by November 2019. Following Secretary Crowfoot's presentation, Supervisors and Secretary Crowfoot engaged in an extended question and answer period.

President's Report

Greg Norton, President & CEO, welcomed RCRC Board Members to the newly remodeled RCRC Board Room and provided an update on the progress.

Mr. Norton provided a brief update on the RCRC Governmental Affairs Department's recent accomplishments, which include the official confirmation of Thom Porter as Chief of the California Department of Forestry and Fire Protection, and the temporary defeat of Assembly Bill 1356 (Ting) regarding cannabis. Mr. Norton also provided an update on the RCRC Economic Development Department's recent activities. Mr. Norton provided an update on recent county visits by RCRC staff. Counties visited in recent weeks included Amador, Butte, Calaveras, Glenn, Inyo, Lassen, Placer, Shasta, Tuolumne Counties, and others.

RCRC staff are preparing for the 2019 RCRC Annual Meeting which will be held in South Lake Tahoe in El Dorado County, and Mr. Norton encouraged RCRC Member Counties' participation in the basket raffle auction. Supervisors were encouraged provide potential sponsors to Sarah Bolnik, Economic Development Specialist.

Approval of the 2018 RCRC Audited Financial Statements

Lisa McCargar, Chief Financial Officer, informed supervisors that Moss Adams LLP, independent auditors, had concluded its audit of the December 31, 2018 financial statements. Ms. McCargar reported that the financial statements contained an unmodified opinion. Moss Adams LLP also issued the required communication letter to Those Charged With Governance as required by U.S. audit standards, noting no significant matters. Ms. McCargar reported that the financial statements and the communication letter have been reviewed and approved by the RCRC Executive Committee at their May 22, 2019 meeting.

Staff Recommendation

It was recommended that the RCRC Board of Directors review and approve the 2018 audited financial statements and communication letter as presented.

Supervisor David Griffith, Alpine County, motioned to motioned to approve the RCRC 2018 Audited Financial Statements and Communication Letter. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passed with all Supervisors present voting "Aye." Supervisor John Peschong, San Luis Obispo County, absent.

Rural County Photo Contest

Justin Caporusso, Vice President External Affairs, outlined the guidelines and submission requirements for RCRC's 3rd Annual Rural County Photo Contest (Contest). The Contest was created to promote tourism and local economic development. The winning image will be featured during RCRC's Annual Meeting in September, and may be used in various RCRC products throughout 2020. Beginning July 1, 2019, RCRC will be accepting photo submissions. Photos must be submitted by July 31, 2019 for them to be considered.

RCRC Board of Directors Meeting Survey Results

Justin Caporusso presented the results of the survey related to the scheduling of Sacramento-based RCRC Board of Directors meetings. The RCRC Executive Committee at their May 22, 2019 meeting discussed the results at length, and ultimately decided to keep the meeting days on Wednesdays, but noted ongoing discussions about changing the start time from 9:00 a.m. to 10:00 a.m. The RCRC Board of Directors discussed the results, and Chair, Supervisor Matt Kingsley, opined to keep the meeting days and time as-is for Sacramento-based RCRC Board of Directors meetings.

RCRC Resolution 19-04: Establishment of Board of Directors Ad Hoc Advisory Committee on Homeowner's Insurance

Chair, Supervisor Matt Kingsley, and Paul A. Smith, Vice President Governmental Affairs, discussed the creation of an RCRC Ad Hoc Committee on Homeowner's Insurance (Committee) to review issues surrounding the availability and affordability of homeowner's insurance coverage in rural areas.

The Committee will consider potential solutions for the increase in homeowner's insurance cancelations and nonrenewals in high fire risk areas across the state. These potential solutions will include, but not be limited to, introducing additional insurers into rural areas, working with the insurance industry on an insurance risk-reduction model, examining insurance industry risk modeling, re-creating/revising the California's Fair Access to Insurance Requirements, creating a new insurance authority, and working directly with policy advocates, the State Legislature and the Department of Insurance to explore other options.

Supervisor Kingsley suggested the following list of members to serve on the Committee:

Sherri Brennan, Tuolumne County (Chair)
Bob Williams, Tehama County (Vice Chair)
Lee Adams, Sierra County
Kevin Cann, Mariposa County
Diane Dillon, Napa County
Randy Fletcher, Yuba County
Dan Miller, Nevada County
Brian Oneto, Amador County
Lori Parlin, El Dorado County

The Committee will issue a report of findings no later than during the August 2020 Board of Directors meeting.

Staff Recommendation

It was recommended that the RCRC Board of Directors approve Resolution 19-04 creating an Ad Hoc Committee on Homeowner's Insurance with the members and mission as included in the Resolution.

Supervisor Randy Fletcher, Yuba County, motioned to approve RCRC Resolution 19-04: Establishment of Board of Directors Ad Hoc Advisory Committee on Homeowner's Insurance. Supervisor John Viegas, Glenn County, seconded the motion. Motion passed with all Supervisors present voting "Aye." Supervisor John Peschong, San Luis Obispo, absent.

Forest Management and Wildfire Update

Staci Heaton, Regulatory Affairs Advocate, provided an update on several efforts that are underway to address California's persistent wildfire events, including: Commission on Catastrophic Wildfire Cost and Recovery's four draft reports outlining utility liability, wildfire mitigation funds, and homeowners insurance with respect to wildfire mitigation and the Commission's recommendation in favor of reforming the state's inverse condemnation statutes as they are applied to investor-owned utilities; Senate Select Committee to assess policy options outlined in Governor Gavin Newsom's report regarding wildfires and climate change; homeowners insurance; and, the Forest Management Task Force.

2019-20 State Budget Update

Paul A. Smith and other members of the Governmental Affairs Department staff provided an update on the State Budget Package, in which the Legislature approved a large number of budget trailer bills that accompany the 2019-20 State Budget (Assembly Bill 74). RCRC staff reported on key issues and changes thus far:

The State Budget Package, as Mr. Smith shared, provides an additional \$87.2 million to assist counties in replacing antiquated voting systems.

The State Budget Package, as Staci Heaton shared, provides: more than \$1.3 billion in Cap-and-Trade revenues for various greenhouse gas reduction programs, including \$200 million for forest health and wildfire prevention activities; more than \$300 million for disaster preparedness, response, and recovery activities; \$75 million to California Office of Emergency Services for state and local preparation and response related to Public Safety Power Shutdown actions; and, \$92.5 million to the Department of Water Resources for multi-benefit flood projects. Staci Heaton also shared that there were efforts by Senator Bob Wieckowski (D-Fremont) to revive the State Responsibility Area Fees, which were unsuccessful.

Tracy Rhine, Legislative Advocate, reported on the proposed revisions to In-Home Supportive Services (IHSS). RCRC and local government partners are pleased the United Domestic Workers of America's proposal was rejected. The proposed revisions to IHSS were reverted back to the Governor's May Revision, with additional components

placed-in that deals with fund withholdings. While the trailer bill has been released, the details are yet-to-be-established.

Ms. Rhine also spoke about revisions to the County Medical Services Program proposal which seeks to suspend all realignment funding until its reserve is decreased to a two-year operating reserve. While the trailer bill has been released, the details are yet-to-be-established.

The State Budget Package, as Ms. Rhine shared, includes \$650 million in one-time funding to assist local governments in addressing homelessness, though detailed funding allocation methodology has not been specified. In addition, the State Budget Package includes a \$750 million one-time appropriation to the California Department of Housing and Community Development to assist local governments with meeting Regional Housing Need Assessment goals, though specific allocation methodology will be outlined in a yet-to-be determined trailer bill.

Mary-Ann Warmerdam, Senior Legislative Advocate, reported that the State Budget Package maintains the funding of \$72.6 million for the University of California's Agriculture and Natural Resources division. In addition, the State Budget Package includes a one-time increase of \$5.7 million in General Fund monies to the Department of Pesticide Regulation to assist in the transition to safer pesticide alternatives. The State Budget Package also provides \$100 million from the Greenhouse Gas Reduction Fund and \$30 million from the General Fund to establish the Safe and Affordable Drinking Water program. The State Budget Package also provides \$3.4 million to the State Water Resources Control Board from the General Fund for start-up costs, though the framework of the fund will be established in a yet-to-be-determined trailer bill.

State Legislative Update

Paul A. Smith reported on the following:

- Assembly Bill 1356 (Ting), would have required a retail commercial cannabis facility in each city/county if more than 50 percent of the voters of a local jurisdiction voted in favor of Proposition 64. AB 1356 has been temporarily defeated; however, AB 1356 or a similar effort is expected to resurface.
- Assembly Bill 1486 (Ting), places new requirements on public agencies disposing of surplus land. RCRC staff, along with local government partners, are working to make AB 1486 more tolerable for counties.

Staci Heaton reported on the following:

- Senate Bill 462 (Stern), creates a forest and woodlands restoration workforce curriculum in California Community Colleges. RCRC, along with the California Forest Watershed Alliance, of which RCRC is a founding member, are also supportive.

John Kennedy, Legislative Advocate, reported on the following:

- Assembly Bill 394 (Obernotle), expedites fire safety improvements for subdivisions that are at significant fire risk and lack a secondary egress route.

- Assembly Bill 1144 (Friedman), requires the California Public Utilities Commission to establish pilot projects to deploy energy storage and distributed energy systems to critical infrastructure in high-fire threat districts.
- Assembly Bill 1783 (R. Rivas), relates to increasing the supply of agricultural employee housing. RCRC staff is working with the author's office to amend the bill as it relates to preserving local authority.
- Senate Bill 167 (Dodd), requires electric utility de-energization protocols to mitigate impacts on Californians who rely on life-support equipment.
- Senate Bill 774 (Stern), requires utilities to collaborate in its service territory to identify locations where sources of back-up electricity may provide increased electrical distribution grid resiliency.

Senate Bill 153 (Wilk) – Industrial Hemp

Paul A. Smith provided an overview of Senate Bill 153 (Wilk), which would construct a more robust state regulatory structure for the cultivation and testing of industrial hemp. Specifically, SB 153 revises the definition of industrial hemp to mean an agricultural product, expands the registration requirements to apply to growers of industrial hemp for noncommercial as well as commercial purposes, and imposes new requirements to county agricultural commissioners for the handling and transmittal of registration information to the California Department of Food and Agriculture (CDFA).

RCRC staff has been working with SB 153's author and sponsors to request amendments that more clearly recognize and protect local land use authority, narrow the definition of 'established agricultural research institution' to conform to federal law, clarify CDFA's regulatory authority to ensure that California law complies with the 2018 Farm Bill, and make additional technical and clarifying revisions. RCRC staff is also in conversation with CDFA regarding the handling of industrial hemp regulations. SB 153 recently passed the State Senate, and is currently scheduled to be heard in the Assembly Agriculture Committee on July 3, 2019.

Update on Senate Bill 182 (Jackson) – Planning and Zoning: Wildfire

Tracy Rhine provided an analysis on Senate Bill 182 (Jackson), regarding wildfire risk reduction standards in areas that are considered to be in Very High Fire Risk Areas (VHFRA). SB 182 establishes a structure for development, permitting, and land use decisions in VHFRA.

SB 182 is the result of pressure from the Legislature to increase threshold requirements for local governments to approve housing developments in VHFRA. Furthermore, pressure from legislators concerned with the possible effects of SB 182 on the state's housing shortage has resulted in numerous revisions to the Regional Housing Need Allocation (RHNA) provisions. Ms. Rhine explained RCRC's main priorities, which include addressing RHNA relief for affected jurisdictions and increased funding for planning mandates. SB 182 recently passed out of the Senate Appropriations Committee with additional amendments expected soon.

Federal Legislative Update

Paul A. Smith provided a brief update on issues at the federal level that are of importance to RCRC Member Counties, including cannabis banking, disaster aid, rural broadband, rural call completion, Federal Payments in Lieu of Taxes (PILT), Secure Rural Schools (SRS), fiscal 2020 appropriations, and infrastructure.

Specifically, Mr. Smith highlighted recently reintroduced legislation that addresses Federal PILT for the smallest of counties. Supervisor Kevin Cann, Mariposa County, who serves as the National Association of Counties' Western Interstate Region President, will be attending the PILT Fly-In in September. At this time, there are no SRS program reauthorization schemes.

Furthermore, Mr. Smith will be traveling to Washington D.C. in July to spend several days on Capitol Hill to advocate on RCRC's federal priorities.

Environmental Services Joint Powers Authority Update

Staci Heaton provided a brief update on the Rural Counties' Environmental Services Joint Powers Authority's (ESJPA) recent activities, including Senate Bill 1383 Short-Lived Climate Pollutants regulations, investigatory orders to determine the presence of Per- and Polyfluoroalkyl Substances in selected landfills across the state, Storm Water Industrial General Permit, water quality fees, hazardous waste regulation on photovoltaic modules, and used oil and tire amnesty grants. Ms. Heaton also provided an agenda overview of tomorrow's ESJPA board meeting.

California Public Utilities Commission Wildfire Proceedings Update

Staci Heaton provided an update on two California Public Utilities Commission (CPUC) proceedings that impact how investor-owned utilities engage with the public and local agencies on wildfire hazard mitigation and the de-energization of power lines to prevent high severity wildfires.

RCRC has filed comments on the Proposed Guidance Decision for 2019 Wildfire Mitigation Plans and requested, among other items, better metrics to evaluate results of mitigation actions and for the CPUC to further consult with the California Department of Forestry and Fire Protection on findings in the proceedings. RCRC has also filed comments on the Decision for Investor-Owned Utilities Approval of 2019 Wildfire Mitigation Plans, Phase 1. RCRC staff is waiting for the release of Phase 2, which is expected to focus on refining the definitions of critical facilities and vulnerable populations and re-energization procedures, as well as refining communication protocols with local governments, among other issues. Initial decisions in both proceedings were adopted unanimously by the CPUC at their May 30, 2019 Voting Meeting.

Water Issues Update

Mary-Ann Warmerdam provided a brief update on issues involving California water policy, including the Bay-Delta Water Quality Plan, Sustainable Groundwater Management Act that are due January 2020, and California WaterFix. In addition, Ms. Warmerdam shared

that there are talks on Capitol Hill about a drinking water-related bill that will be unveiled soon.

Adjournment

Chair, Supervisor Matt Kingsley, adjourned the RCRC Board of Directors Meeting at 2:07 p.m.