

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, August 16, 2017 – 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 Bob Williams, Tehama County, called the meeting to order at 9:01 a.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Brian Oneto	Amador
Doug Teeter	Butte
Kim Dolbow Vann	Colusa
Gerry Hemmingsen	Del Norte
Michael Ranalli	El Dorado
Rex Bohn	Humboldt
Matt Kingsley	Inyo
Jim Steele	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
John Peters	Mono
Diane Dillon	Napa
Dan Miller	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Larry Munger	Sutter
Bob Williams	Tehama
John Fenley	Trinity
Kuyler Crocker	Tulare
Randy Hanvelt	Tuolumne
Andy Vasquez	Yuba

Absent

Jack Garamendi, Jr.	Calaveras
John Viegas	Glenn
Michael Kelley	Imperial

Kevin Goss
Lynn Compton
Matt Rexroad

Plumas
San Luis Obispo
Yolo

Others in Attendance

Sydney Lewis, Office of U.S. Senator Kamala Harris
Supervisor Richard Forster, Amador County
Supervisor Dennis Garton, Tehama County
Caylyn Wright, Economic Development Coordinator, Tehama County
Elizabeth Espinosa, Partner, Hurst Brooks Espinosa LLC
Russell Gould, The Gould Group
Robert Bendorf Jr., Renovate America/HERO
Mark Rodgers, Ygrene Energy Fund
Ed Horton

Staff in Attendance

Greg Norton, President & CEO
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Paul A. Smith, Vice President Governmental Affairs
Justin Caporusso, Vice President External Affairs
Mary-Ann Warmerdam, Senior Legislative Advocate
Tracy Rhine, Legislative Advocate
Arthur Wylene, Governmental Affairs Counsel
Mary Pitto, Regulatory Affairs Advocate
Staci Heaton, Regulatory Affairs Advocate
Terrance Rodgers, Economic Development Officer
Maggie Chui, Governmental Affairs Coordinator
Santinia Pasquini, External Affairs Coordinator
Sarah Bolnik, Board Relations & Business Development
Anthony Rahill, Data & Program Development Manager
Sanjay Lee, Accountant
Elizabeth Jensen, Accountant
Danh Nguyen, Program Administrator
Felicia Mills, Client Relations Representative
Sarah McCormack, Client Relations Representative
Layne Frederickson, IT Manager
Julie Lunn, Office Assistant
Lorraine Escalante, Office Assistant

Pledge of Allegiance

Approval of Minutes – June 21, 2017

Chair, Supervisor Bob Williams, Tehama County, called for approval of the minutes from the June 21, 2017 Board of Directors Meeting.

Supervisor David Rodgers, Madera County, motioned to approve the minutes from the June 21, 2017 Board of Directors Meeting. Supervisor Dan Miller, Nevada County, seconded the motion. Motion passes.

Abstaining:

Supervisor Aaron Albaugh, Lassen County; Supervisor Jim Holmes, Placer County; Supervisor Kevin Goss, Plumas County; Supervisor Matt Rexroad, Yolo County

Chair's Remarks

Chair, Supervisor Bob Williams, Tehama County, welcomed the supervisors to the RCRC Board of Directors Meeting.

Supervisor Williams thanked the RCRC Executive Committee team for their time, commitment, and dedication to the organization.

Supervisor Williams reported on his recent participation in an interview for a blog piece with California Forward, initiated by the California Economic Summit, to discuss economic development barriers in rural California. Supervisor Williams requested the supervisors to stay tuned on the impending release.

Member County Concerns and Issues

Supervisor David Rogers, Madera County, shared that the California Partnership for the San Joaquin Valley has submitted its application for Proposition 1 grant funds for the flood release/reclamation program. Supervisor Rogers hopes that grant funds will be awarded as funding is critical.

Supervisor Randy Hanvelt, Tuolumne County, voiced his concern regarding the Federal Emergency Management Agency (FEMA) staff's handling of Tuolumne County's road repair needs. The concern is further exacerbated by the frequent replacements of project managers from FEMA that are tasked with handling Tuolumne County projects. With storm season approaching, Supervisor Hanvelt advised supervisors to push for a more effective response from FEMA.

Supervisor Jim Steele, Lake County, echoed the sentiments of Supervisor Hanvelt concerning the importance of timely disaster response. Supervisor Steele shared that Lake County had to hire additional field staff and contractors to address the immediate needs following their fire disaster. Supervisor Steele advised supervisors to plan ahead for disasters.

Supervisor David Griffith, Alpine County, shared that Alpine County is working on an ordinance involving adjacent lots. This ordinance would address the problem of defensible space when a property is within 100 feet of a property line. Supervisor Griffith mentioned that it can be difficult to get property owners to cooperate with one another, and asked if any Member Counties have experience with this issue and sought suggestions.

Supervisor John Peters, Mono County, noted that Mono County utilized carryover funds that were initially used for fire disasters for road damage repair. Mono County's Finance Director identified the excess funds; therefore, Mono County did not have to apply for Senate Bill 1 funds.

Supervisor Geri Byrne, Modoc County, thanked Mary Pitto, RCRC Regulatory Affairs Advocate, for attending the Modoc County integrated waste meeting.

Supervisor Byrne also reported on Representative Doug LaMalfa's H.R 3371 that would establish a conveyance of an obsolete backscatter radar receiving station in Modoc County.

Supervisor Byrne thanked Paul A. Smith, RCRC Vice President Governmental Affairs, and Arthur Wylene, RCRC Governmental Affairs Counsel, for discussing Senate Bill 50 (Allen). SB 50 would establish a policy of the State having a first right of refusal in acquiring federal lands in California.

Supervisor Dennis Garton, Tehama County, expressed concern with increased county costs associated with the Peace Officer Standards and Training (POST) program. POST is no longer absorbing the cost of county personnel attending required training programs. Tehama County's General Fund is impacted as the county must pay for per diem and overnight stays when law enforcement travels for training.

Supervisor Matt Kingsley, Inyo County, reported that Inyo County has launched eminent domain proceedings against the City of Los Angeles to reclaim their landfill property. Inyo County has hired a law firm that specializes in eminent domain proceedings.

Supervisor Kevin Cann, Mariposa County, echoed the sentiments of Supervisor Hanvelt regarding FEMA's mishandling of disasters. Since the February 2017 storms, Supervisor Cann reported that FEMA personnel have taken photos of the same sites on separate occasions, and have advised Mariposa County to repair the damages without providing details on funding.

Supervisor Cann also echoed the sentiments of Supervisor Steele regarding the importance of planning ahead for disasters. Supervisor Cann encouraged the supervisors to take advantage of the resources and the knowledgebase currently available from counties that have dealt with previous disasters. Supervisor Cann expressed that by interacting with other counties, it could speed-up the recovery process and prevent counties from making avoidable mistakes.

Supervisor Gerry Hemmingsen, Del Norte County, voiced his concern regarding Representative Jared Huffman's draft Wilderness Bill. Supervisor Hemmingsen stated that the legislation has layers of regulations with no funding specification.

Supervisor Hemmingsen also raised the issue of possible eligibility for inmates to qualify for Medi-Cal, Medicare, or Medicaid so counties do not have to endure these costs.

Supervisor Hemmingsen stated that Del Norte County does not have the resources to provide medical services to these inmates.

Supervisor Andy Vasquez, Yuba County, raised the issue of the California Public Employees' Retirement System (CalPERS) funding. Supervisor Vasquez requested a future discussion at an RCRC Board of Directors Meeting to explore solutions.

Supervisor Dan Miller, Nevada County, thanked Paul A. Smith, RCRC Vice President Governmental Affairs, and Arthur Wylene, RCRC Governmental Affairs Counsel, on presenting before the Nevada County Community Advisory Group on issues involving cannabis.

Supervisor Miller also informed the supervisors of the upcoming RCRC-hosted Global Trade Services Workshop on September 13, 2017. Attendees will learn of opportunities to export products and services to global markets.

Supervisor Anthony Botelho, San Benito County, voiced his concern over a solar project that San Benito County approved several years ago. After much dispute with environmental groups, the solar project was sold to Con Edison. San Benito County expected to receive the sales tax of the solar project transaction; however, it went to San Francisco County. Supervisor Botelho warned supervisors of agreements with big conglomerate companies.

Supervisor Kim Dolbow Vann, Colusa County, shared that Colusa County submitted its application to the California Water Commission (CWC) to receive Proposition 1 funding for the Sites Reservoir project. Supervisor Vann reported that Colusa County and the CWC received letters of support from members of Congress, water agencies, counties, and cities.

Supervisor Vann also shared with supervisors that for the first time in Colusa County's history, it is debt-free.

Supervisor Carre Brown, Mendocino County, inquired whether former Tulare County Supervisor and RCRC Delegate Allen Ishida was appointed to the California Transportation Commission.

Public Comments

None

President's Report

Greg Norton, President & CEO, introduced the RCRC staff to the RCRC Board of Directors. Specifically:

Mr. Norton introduced the following staff:

- Sarah Bolnik, Board Relations & Business Development

Paul A. Smith, RCRC Vice President Governmental Affairs, introduced the following staff:

- Maggie Chui, Governmental Affairs Coordinator
- Arthur Wylene, Governmental Affairs Counsel
- Mary-Ann Warmerdam, Senior Legislative Advocate
- Mary Pitto, Regulatory Affairs Advocate
- Staci Heaton, Regulatory Affairs Advocate
- Tracy Rhine, Legislative Advocate

Justin Caporusso, RCRC Vice President External Affairs, introduced the following staff:

- Santinia Pasquini, External Affairs Coordinator

Lisa McCargar, Chief Financial Officer, introduced the following staff:

- Julie Lunn, Office Assistant
- Lorraine Escalante, Office Assistant
- Elizabeth Jensen, Accountant
- Sanjay Lee, Accountant
- Layne Frederickson, IT Manager

Craig Ferguson, Vice President, introduced the following staff:

- Peter Tran, Director of Operations (Absent)
- Carolyn Holmes, Marketing Director (Absent)
- Danh Nguyen, Program Associate
- Terrance Rodgers, Economic Development Officer
- Felicia Mills, Client Relations Representative
- Sarah McCormack, Client Relations Representative
- Anthony Rahill, Data & Program Development Manager

Mr. Norton thanked supervisors for allowing time for staff introductions and acknowledging the RCRC team.

Mr. Norton provided an update on recent county presentations and visits by RCRC Board Members and RCRC staff, including visits to Glenn, Sutter, Tuolumne, Mariposa, Merced, Modoc, Nevada, Madera, Mendocino, and Mono Counties. Other activities include RCRC Board Members accompanying RCRC staff on legislative hearings and Tree Mortality Task Force meetings.

Mr. Norton announced upcoming events, including Mr. Smith will be representing RCRC at Representative John Garamendi's 2017 Transportation Forum, and Supervisor Randy Hanvelt, Tuolumne County, Terrance Rodgers, RCRC Economic Development Officer, and Mr. Norton will attend a "Value Added Forestry" meeting. Mr. Norton reminded the supervisors that RCRC will again sponsor the San Joaquin Valley Regional Association of California Counties Conference taking place November 1-3, 2017.

Mr. Norton provided an update on the Governmental Affairs Department's recent advocacy accomplishments, which include: effectively advocating for amendments to

Assembly Bill 1066 (Aguiar-Curry) to narrow down the definition of the term “demolition” as it relates to public works; Governor Brown signing into law the RCRC-sponsored Senate Bill 447 (Nielsen) relating to Assessment Appeals Boards; and, RCRC staff successfully coordinating a mining tour for Mariposa County with Department of Conservation staff to review proposed regulations regarding the fee structure for small mine operators.

Mr. Norton shared with supervisors that the External Affairs Department’s efforts on growing RCRC’s social media presence, print/online and broadcast media impressions, and overall reach continues to make progress.

Mr. Norton reported that an RCRC-affiliated entity, Rural Alliance, Inc. (RAI), is no longer dormant. RAI was revived for rural economic development and job creation efforts. RAI has held two Board Meetings, and the next one will be held on September 29, 2017.

Mr. Norton announced that the RCRC-hosted Global Trade Services Workshop will be held in Nevada County on September 13, 2017. This is the second in a series of workshops, the first being Tuolumne County, which is aimed at educating local businesses about exporting opportunities. RCRC staff will be facilitating a workshop in the north-central portion of California in November.

Mr. Norton shared that the California Governor’s Office of Business and Economic Development have approached RCRC to facilitate meetings regarding rural counties’ economic development issues, opportunities, and challenges with Member Counties.

Mr. Norton shared that his attendance to the Select USA Foreign Investment Development Conference, which he attended as part of the California delegation, has unlocked opportunities that would provide California rural counties exposure in future conferences.

On the rural infrastructure front, Mr. Norton reported that RCRC staff is actively engaging with the United States Department of Agriculture and Member County staff on specific water projects.

RCRC Annual Meeting

Justin Caporusso, RCRC Vice President External Affairs, spoke of the 2017 Annual Meeting scheduled for September 27-29, 2017 in El Dorado County. Mr. Caporusso reported that 180 attendees have registered and 22 organizations have sponsored the event thus far.

This year, panel topics include Daylight Saving Time, the Opioid Epidemic, Autonomous Vehicles, Emergency Preparedness and Recovery – focusing on the Oroville Spillway Disaster, Trends in Rural Health, and the annual panel discussion on the Current Political Landscape. Mr. Caporusso announced that an opening speaker, Dr. Jessica Kriegel, will provide a presentation on generational differences and intergenerational understanding.

Mr. Caporusso reminded supervisors about the Basket Raffle, and the Tehama County charities that will benefit from the proceeds. A number of Tehama County charities have been selected, including the Corning Senior Center, Corning Christian Assistance, Tehama County Friends of the Library, Senior Nutrition, and PETS.

RCRC President/CEO Compensation – ACTION

Chair, Supervisor Williams and the RCRC Executive Committee addressed the RCRC Board of Directors on how they derived to the unanimous decision to approve the RCRC President/CEO's annual compensation. At their July 12, 2017 Meeting, the RCRC Executive Committee appointed an Ad Hoc Committee which consisted of Supervisors Diane Dillon, Napa County, Randy Hanvelt, Tuolumne County, and Matt Kingsley, Inyo County to further discuss the RCRC President/CEO's compensation. The Ad Hoc Committee reported back to the RCRC Executive Committee at their August 9, 2017 Meeting.

The RCRC Board of Directors discussed at length the RCRC President/CEO's performance and annual compensation.

Recommendation:

Following completion of the President/CEO's annual performance evaluation, the RCRC Executive Committee voted unanimously to make the following recommendations for approval by the RCRC Board of Directors. The RCRC Executive Committee recommended the RCRC Board of Directors:

- Receive feedback from the RCRC Executive Committee regarding the President/CEO's performance and the actions taken during the RCRC Executive Committee meeting; and,
- Approve a five percent merit increase and a ten percent industry adjustment increase to the President/CEO base annual compensation retroactive to June 2, 2017.

Supervisor Gerry Hemmingsen, Del Norte County, motioned to approve the staff recommendations. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion passes unanimously.

Speaker

Mr. Steve Juarez, Deputy Treasurer of the Office of the California State Treasurer presented to the RCRC Board of Directors an overview of the State Treasurer's Office broad portfolio of policy and program areas. These include economic development, health facilities, financing, affordable housing, education, and energy efficiency solutions. Mr. Juarez also provided an update on the current activities at the State Treasurer's Office, with a specific focus on the California Business Incentives Gateway (CBIG). The CBIG is a digital marketplace to connect business owners and entrepreneurs with economic opportunities.

NACo Annual Conference Update

RCRC's Officers and RCRC staff attended the National Association of Counties' Annual Conference July 21-24, 2017 in Columbus, Ohio. Chair, Supervisor Bob Williams; First Vice Chair, Supervisor Rex Bohn; Second Vice Chair, Supervisor Randy Hanvelt; and, Immediate Past Chair, Supervisor John Viegas were in attendance. Supervisor Williams and Supervisor Bohn provided an overview on the meetings they attended.

California Tree Mortality Task Force

Staci Heaton, RCRC Regulatory Affairs Advocate, reported on recent activities of the California Tree Mortality Task Force (Task Force), which meets monthly. Ms. Heaton stated that the USDA Forest Service has conducted the updated tree mortality aerial surveys, and results are expected to be released soon. Ms. Heaton also shared that progress with the Task Force's Insurance Subgroup to address homeowners' insurance cancellations and non-renewals has been slow-going; however, the Task Force's leadership has become more engaged in order to expedite results. Lastly, the Little Hoover Commission is slated to hold one last hearing on its forest management study focusing on tree mortality on August 24, 2017.

Update on Proposition 47 Allocations

Paul A. Smith, RCRC Vice President Governmental Affairs, and Elizabeth Howard Espinosa, RCRC Consultant and Partner with Hurst Brooks Espinosa, provided an update on recent allocations of Proposition 47 recidivism reduction grants by the Board of State and Community Corrections.

As Mr. Smith explained, Proposition 47 reduces penalties for a variety of specified offenses, and dedicates the savings from housing these offenders into other priorities. Mr. Smith reminded supervisors that RCRC and law enforcement were in opposition to Proposition 47. The update is to review whether rural counties were biased against when Proposition 47 monies were distributed.

Ms. Espinosa emphasized that the recidivism savings were slated for diversion programs for behavior and mental health, and treatments to address the underlying issues of reasons why offenders carry out the specified offenses. Ms. Espinosa directed supervisors to review the attachments in the RCRC Board of Directors' Meeting board packet titled "2017 Proposition 47 Grant Awards by Application Ranking" and "2017 Proposition Grant Awards by County Type" to see the awarded amounts. Ms. Espinosa noted that a total of 58 entities applied for Proposition 47 monies, and five of 22 rural counties experienced successful applications.

Ms. Espinosa stated that there will be another opportunity in the future for entities to apply for Proposition 47 allocations.

Cap-and-Trade Program Extension and Expenditure Plan - ACTION

Mary-Ann Warmerdam, Senior Legislative Advocate, and Staci Heaton, Regulatory Affairs Advocate, reported on the recent enactment of the extension of the State's Cap-and-Trade program.

Ms. Warmerdam highlighted RCRC's three Cap-and-Trade policy priorities: full repeal of the State Responsibility Area (SRA) fee; funding for healthy forest programs; and, securing a more holistic definition of "disadvantaged communities" (DAC) and "low-income communities."

Ms. Warmerdam reported that the SRA fee was repealed, and the legislation repealing the fee has been signed into law by Governor Brown. While discussions have occurred concerning funding for healthy forest programs, no dollar amount has been disclosed. Ms. Warmerdam mentioned that RCRC remains hopeful that a more equitable DAC definition will be incorporated.

Ms. Warmerdam addressed the action taken by the RCRC Executive Committee at the July 12, 2017 meeting. RCRC staff recommended the RCRC Executive Committee adopt a "Support if Amended" position on the Cap-and-Trade package if all three of RCRC's policy priorities were addressed. The RCRC Executive Committee adopted this recommendation.

Ms. Heaton echoed the sentiments of Ms. Warmerdam on the Cap-and-Trade program extension. Ms. Heaton noted that the Cap-and-Trade program has been a priority of Governor Brown, and explained his desire for the Cap-and-Trade program to be extended through the year 2030 by a two-thirds vote, which was subsequently enacted. As part of the second phase, the Legislature will need to decide how the money is spent. The Legislature returns from Summer Recess on August 19, 2017 and is slated to adopt an expenditure plan.

Ms. Warmerdam stated that RCRC staff continues to have discussions with legislators and key staff to share RCRC's position. The RCRC Board of Directors discussed the pros and cons as it pertains to RCRC Member Counties. Ms. Warmerdam and Ms. Heaton addressed various questions posed by supervisors.

Staff Recommendation:

RCRC staff recommended the RCRC Board of Directors ratify the Executive Committee's "Support if Amended" position on the Cap-and-Trade Expenditure Plan if the two remaining policy areas - significant funding for healthy forest programs and inclusion of a more equitable definition of DACs - are satisfactorily addressed in the final plan.

Supervisor Matt Kingsley, Inyo County, motioned to approve the staff recommendations. Supervisor David Griffith, Alpine County, seconded the motion. Motion passes with Supervisor Michael Kobseff, Siskiyou County voting "No".

Absent: Supervisor Michael Ranalli, El Dorado County; Supervisor Rex Bohn, Humboldt County; Supervisor Anthony Botelho, San Benito County; Supervisor Andy Vasquez, Yuba County

Update on the Enactment of Senate Bill 447 (Nielsen)

Paul A. Smith, RCRC Vice President Governmental Affairs, reported on the recent enactment of RCRC-sponsored Senate Bill 447, authored by Senator Jim Nielsen (R-Tehama), which authorizes counties to voluntarily create multi-jurisdictional Assessment Appeals Boards to hear property tax appeals. Mr. Smith pointed out that this option can be utilized by all counties, not just counties that have Board of Equalizations. Mr. Smith encouraged supervisors that are interested in utilizing this option to have conversations with their respective county counsel and assessor.

Mr. Smith thanked Senator Nielsen for his leadership in authoring SB 447. Mr. Smith also thanked Supervisor Lee Adams of Sierra County, and Supervisors David Griffith and Ron Hames of Alpine County, for their efforts on securing the passage of SB 447.

State Legislative Update

Paul A. Smith reported on the following legislation:

- Assembly Bill 1250 (Jones-Sawyer), would severely restrict a counties' ability to contract-out for a variety of services. AB 1250 will be heard in the Senate Appropriations Committee when the Legislature reconvenes after the Summer Recess, and is expected to be placed on the "Suspense File."

Mr. Smith noted that the California State Association of Counties (CSAC) has taken the lead on the fight to defeat AB 1250 because the fight primarily resides with persuading urban legislators to not support the bill. Mr. Smith also noted that RCRC has made a \$15,000 contribution to CSAC to assist in the dissemination of information to targeted areas on the poorly-crafted bill.

Tracy Rhine reported on the following legislation:

- Senate Bill 649 (Hueso), requires counties to lease public property for placement of wireless "small cell" structures for a fee set by the Legislature. The bill will be heard in the Assembly Appropriations Committees, and is expected to move forward. Ms. Rhine noted that defeating SB 649 will be difficult, and will likely be decided by the Governor. Ms. Rhine thanked Supervisor Bob Williams of Tehama County and Supervisor Rex Bohn of Humboldt County on their participation at committee hearings.
- Assembly Bill 1665 (Eduardo Garcia), relates to the California Advanced Services Fund. RCRC initially had a "Support if Amended" position on AB 1665; however, recent amendments forced RCRC to adopt an "Oppose Unless Amended" position. Currently, AB 1665 is awaiting action in the Senate Energy, Utilities, and Communications Committee. AB 1665 was declared an urgency matter; therefore, not subject to legislative deadlines.
- Housing Package
 - At this time, there is no mention of what is included in the housing package. Ms. Rhine expects 15 reform bills and two identified funding bills (Senate Bill 2 (Atkins) and Senate Bill 3 (Beall)). Lastly, Ms. Rhine noted that the Legislature will work on the housing package when they reconvene after the Summer Recess.

Staci Heaton reported on the following legislation:

- Senate Bill 249 (Allen), which reauthorizes the Off-Highway Vehicle (OHV) program. Ms. Heaton noted that SB 249 is a poorly-crafted bill that would bring an end to the OHV Program. Currently, SB 249 is awaiting action in the Senate Appropriations Committee. Ms. Heaton hopes this will be turned into a two-year bill so that it would allow stakeholders more time to influence a more practical solution.

Mary Pitto reported on the following legislation:

- Assembly Bill 1288 (Eggman), which would reform the State's solid waste disposal fee, commonly referred to as the "tipping fee." Ms. Pitto noted that AB 1288 is now a two-year bill, and is shelved for the remainder of the 2017 Legislative Session.
- SB 102 (Senate Budget & Fiscal Review Committee), which relates to the Beverage Container Recycling Program (BCRP), and is intended to be a short-term fix to account for all the closure of certified BCRP centers. The fate of this bill is uncertain.

Federal Legislative Update

Paul A. Smith reported on the following legislation:

- Federal Payments In Lieu of Taxes (PILT) – Mr. Smith reported that Congress approved a \$465 million appropriation for 2017 Federal PILT payments in April. Mr. Smith shared that while there are concerns with the Trump Administration's proposed \$397 million 2018 Federal PILT payments, the House of Representatives and the Senate have adopted their respective Interior Appropriations measure to fund Federal PILT at the \$465 million level for 2018. Mr. Smith and RCRC federal lobbyists believe the appropriation for Federal PILT payments will increase (approximately \$485 million level), and are quite confident that it will be robust and helpful to rural counties.
- Secure Rural Schools (SRS) – Mr. Smith reminded supervisors that Congress has not reauthorized SRS for 2016 or 2017. A number of bills have been put forth in both the House of Representatives and the Senate to reauthorize SRS; however, none have secured passage. Mr. Smith conveyed that he is not optimistic for a reauthorization, and even if there is an extension, it would be another slight reduction for 2016 and 2017 payments.

Mr. Smith shared that Supervisor Randy Hanvelt of Tuolumne County and Supervisor Kevin Cann of Mariposa County will join him in Washington D.C. to participate in the National Association of Counties PILT Fly-In, which allows county officials to meet with members of Congress and key staff and share the importance of these payments to counties.

Mr. Smith noted that staff will continue to update the RCRC Board of Directors on the progress of Federal PILT and SRS.

Mary-Ann Warmerdam reported on the following legislation:

- 2018 Farm Bill – Ms. Warmerdam noted that the 2018 Farm Bill, which is in early development, is expected to include a rural economic development piece. The three policy areas of particular interest to RCRC include broadband, water infrastructure, and housing. Ms. Warmerdam shared that a total of four listening sessions have taken place across the country to deliberate on the 2018 Farm Bill's various programs.

Community Development Block Grant Program

Mary Pitto, RCRC Regulatory Affairs Advocate, provided an update on the California Department of Housing and Community Development's (HCD) redesign of the Community Development Block Grant (CDBG) program. Ms. Pitto reported that Senate Bill 106 (Senate Budget & Fiscal Review Committee) included proposed amendments to HCD's CDBG program to streamline HCD's workload and make the program more effective.

Ms. Pitto also mentioned that HCD will be forming a Redesign Working Group and will be tasked with making recommendations on the CDBG guidelines. Once completed, the CDBG guidelines will be submitted to the Department of Finance for approval.

Ms. Pitto directed supervisors to a report titled "*Proposed Program Redesign Framing Paper*." Ms. Pitto recognized that quite a few of rural counties utilize the CDBG grant and encouraged supervisors to have conversations with their respective county staff about the CDBG redesign, and urge their engagement in the process.

Surface Mining and Reclamation Act Update

Mary Pitto provided an update on the State Mining and Geology Board's (SMGB) rulemaking process and the recent mining reform implementation. Senate Bill 209 (Pavley) and Assembly Bill 1142 (Gray) were enacted last year to reform the Surface Mining and Reclamation Act (SMARA). The SMGB, working with the Department of Conservation's Division of Mine Reclamation, is developing the statutory changes to implement SB 209 and AB 1142.

Ms. Pitto outlined the regulatory packages which include fee calculations, financial assurance cost estimates, inspections, reclamation plans, financial assurance mechanisms, vested rights determinations and mining ordinances, enforcement and appeals process, financial assurance forfeiture process, and corporate bonding/financial tests. The proposed changes to SMARA are intended to improve the quality, consistency, and frequency of the inspections; clarify the roles of the local lead agencies and the state; better ensure that mine operators restore land to its natural state or useable condition; and, reduce lead agency liabilities. Several regulatory packages are scheduled for adoption on September 14, 2017.

Lastly, Ms. Pitto stated that RCRC staff will continue to work with mining staff throughout the regulatory process to make SMARA more equitable, and will keep supervisors apprised of any significant issues.

Water Policy Issues Update

Mary-Ann Warmerdam provided an update on a number of key issues affecting California water policy.

Ms. Warmerdam praised counties on the Department of Water Resources' (DWR) announcement that approximately 99 percent of the state's groundwater basins now have a Groundwater Sustainability Agency identified as part of SGMA implementation. Ms. Warmerdam directed supervisors to a joint publication with the Northern California Water Association titled "*Fact Sheet: The State of Sacramento Valley Groundwater.*"

Ms. Warmerdam discussed Senate Bill 623 (Monning), which would establish the Safe and Affordable Drinking Water Fund, and would provide grants, loans, or services to assist low-income communities. The funding stream has not yet been released.

Ms. Warmerdam provided an update on the water/park bond proposals. Two water bond bills were released earlier this year by Assembly Member Eduardo Garcia and Senator President pro Tempore Kevin de León. Since January, two proposed statewide ballot measures are being contemplated. For one of those two, RCRC is the only local government entity invited to join the conversation.

Ms. Warmerdam stated that RCRC staff will continue to engage on water policy issues to ensure the concerns of RCRC Member Counties are addressed.

State "Waters of the United States" Proposal

Staci Heaton provided an overview of the State Water Resources Control Board's (SWRCB) proposed amendments to its Procedures for Discharges of Dredged or Fill Materials to Waters of the State (Procedures) regulations that incorporate some of the restrictions of the 2015 federal rule that alters the definition of what constitutes a "water of the United States."

The SWRCB released an amended version of the Procedures that included expanding the State's jurisdiction over small streams, creeks, and a greater share of California's vernal pools. RCRC has been long opposed to the implementation of the Procedures, and continues to work with a broad coalition of stakeholders to discuss the rule and negotiate modifications.

Ms. Heaton directed supervisors to the "*State Wetland Definition and Procedures for Discharges of Dredged or Fill Materials to Waters of the State*" and the RCRC and the California State Association of Counties' joint comment letter, and encouraged supervisors to participate in the public comment process.

Adjournment

Chair, Supervisor Bob Williams, adjourned the RCRC Board of Directors Meeting at 2:37 p.m.