

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, January 15, 2020 – 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 Daron McDaniel, Merced County, called the meeting to order at 9:05 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
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Lori Parlin	El Dorado
Rex Bohn	Humboldt
Michael Kelley	Imperial
Matt Kingsley	Inyo
E.J. Crandell	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Chris Lopez	Monterey
Diane Dillon	Napa
Dan Miller	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Mat Conant	Sutter
Bob Williams	Tehama
Jeremy Brown	Trinity
Kuyler Crocker	Tulare
Sherri Brennan	Tuolumne
Gary Sandy	Yolo
Randy Fletcher	Yuba

Absent

John Viegas	Glenn
Kevin Goss	Plumas
Lynn Compton	San Luis Obispo
Lynda Hopkins	Sonoma

Others in Attendance

Supervisor Terry Woodrow, Alpine County
Supervisor Miles Menetrey, Mariposa County
Supervisor Ned Coe, Modoc County
Supervisor Bobbi Chadwick, Trinity County
Jim Brown, Merced County
Assembly Member Adam Gray
Ed Horton, Placer County Water Agency
Crystal Crawford, Ygrene Energy Fund
Thomas Coverick, KeyBanc Capital Markets
Harrison Pardini, Office of Assembly Member Adam Gray
Jamme Yang, Yuba County

Staff in Attendance

Greg Norton, President and CEO
Lisa McCargar, Chief Financial Officer/Chief Operating Officer
Craig Ferguson, Senior Vice President
Paul A. Smith, Senior Vice President Governmental Affairs
Justin Caporusso, Vice President External Affairs
Mary-Ann Warmerdam, Senior Legislative Advocate
John Kennedy, Legislative Advocate
Tracy Rhine, Legislative Advocate
Staci Heaton, Senior Regulatory Affairs Advocate
Arthur Wylene, General Counsel
Barbara Hayes, Chief Economic Development Officer
Maggie Chui, Senior Governmental Affairs Coordinator
Leigh Kammerich, Regulatory Affairs Specialist
Sarah Bolnik, Economic Development Specialist
Milena De Melo, Controller

Pledge of Allegiance

2020 Officers Swearing-In

Immediate Past Chair Matt Kingsley, Inyo County, introduced Assembly Member Adam Gray (D-Merced). Assembly Member Gray conducted the swearing-in of the 2020 Officers:

2020 Chair	Supervisor Daron McDaniel, Merced County
2020 First Vice Chair	Supervisor Stacy Corless, Mono County
2020 Second Vice Chair	Supervisor Dan Miller, Nevada County

2020 Immediate Past Chair

Supervisor Matt Kingsley, Inyo County

RCRC Outgoing Chair Remarks

Immediate Past Chair, Supervisor Matt Kingsley, Inyo County, thanked fellow supervisors and RCRC staff for placing their trust in him to represent RCRC in 2019. Supervisor Kingsley provided a brief summary of accomplishments and achievements during his tenure as Chair of the RCRC Board of Directors.

Greg Norton, President and CEO, presented Supervisor Kingsley with a gift as a token of appreciation.

RCRC Incoming Chair Remarks

Chair, Supervisor Daron McDaniel, Merced County, provided a brief overview of goals for 2020, and expressed his enthusiasm to serve as RCRC's 2020 Chair.

Approval of Minutes – December 11, 2019

Chair, Daron McDaniel, Merced County, called for approval of the minutes from the December 11, 2019 Board of Directors Meeting.

Supervisor Diane Dillon, Napa County, motioned to approve the minutes from the December 11, 2019 Board of Directors Meeting. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passed with all Supervisors present voting "Aye," except as follows:

Abstaining: Supervisor Brian Oneto, Amador County; Supervisor Michael Kelley, Imperial County; Supervisor David Rogers, Madera County; Supervisor Chris Lopez, Monterey County; Supervisor Les Baugh, Shasta County

Member County Concerns and Issues

Supervisor Rex Bohn, Humboldt County, shared his concern regarding homelessness in Humboldt County. While there are state grants available to alleviate the problem, it is difficult for rural counties to access due to staff and resources constraints.

Supervisor Michael Kobseff, Siskiyou County, voiced his concern about Siskiyou County's hospitals facing a surge of patients with criminal psychiatric disorders and bed shortage issues that are placing undue burden on Siskiyou County's hospitals.

Supervisor Les Baugh, Shasta County, thanked RCRC for sponsoring Shasta County's economic development summit.

Supervisor Baugh also shared his concern regarding homelessness as it relates to the possibility of homeless camps occupying the state fairgrounds in the City of Anderson.

Lastly, Supervisor Baugh spoke to his understanding that the California Air Resources Board desires to phase-out small gas-powered equipment in the state.

Supervisor Brian Oneto, Amador County, noted that the Amador County Board of Supervisors recently reviewed a resolution that was adopted by the Tuolumne County Board of Supervisors to address the imminent threat of disaster due to severe and persistent fire danger.

Supervisor Oneto also requested RCRC staff to review opportunities to engage on the Trump Administration's efforts to modernize the National Environmental Policy Act.

Supervisor Chris Lopez, Monterey County, shared his concerns about funding reductions to the First 5 program in Monterey County and the University of California's 4-H Development Program.

Supervisor Sherri Brennan, Tuolumne County, shared that the Tuolumne County Board of Supervisors adopted a resolution which proclaimed a local state of emergency due to severe and persistent fire danger. The Tuolumne County Board of Supervisors are also working with neighboring counties on a joint resolution to address fire dangers.

Supervisor David Rogers, Madera County, spoke about a recent incident in Madera County where a group of aggressive individuals filmed people in various places, and later distributed the video on the internet for public consumption.

Supervisor Lee Adams, Sierra County, shared that there will be a meeting with the California Department of Forestry and Fire Protection Chief Thom Porter, and invited interested supervisors to join the meeting that will take place in February.

Supervisor Randy Fletcher, Yuba County, thanked the Tuolumne County Board of Supervisors for taking action to adopt a state of emergency due to severe and persistent fire danger, and also for organizing a coalition of neighboring counties to address pervasive fire threats.

Supervisor Dan Miller, Nevada County, shared that Nevada County experienced an officer involved shooting incident with a pretrial release felon that did not end well.

Supervisor Miller also shared his concern regarding commercial businesses experiencing insurance nonrenewals.

Supervisor Daron McDaniel, Merced County, shared that Merced County will implement a pilot program that would add approximately 120-150 beds within 6-7 months in facilities for those that are homeless.

Public Comments

None.

President's Report

Greg Norton informed the RCRC Board of Directors on RCRC's recent and upcoming sponsorships, including the Center for Economic Development's 2020 Economic Forecast, the Cohesive Strategies Evening Reception, the California Forestry Association's Annual Meeting, and the Central Sierra Broadband Conference.

Mr. Norton provided a brief update on recent attendance to conferences and meetings by RCRC staff. RCRC staff also visited RCRC member counties, including Butte, El Dorado, and Shasta, and others in recent weeks.

Mr. Norton announced three organizational promotions, effective January 1, 2020:

- Lisa McCargar, Chief Financial Officer/Chief Operating Officer
- Craig Ferguson, Senior Vice President
- Paul A. Smith, Senior Vice President Governmental Affairs

The promotions continue the focused effort of ongoing cross-over understanding and communication to best serve RCRC and its affiliate organizations.

RCRC Resolution 20-01: RCRC Board Travel Policy - ACTION

Lisa McCargar, Chief Financial Officer/Chief Operating Officer, provided an overview of the proposed revisions to Resolution 20-01, Travel Expense Policy for RCRC Delegates and Alternates.

Ms. McCargar discussed proposed changes, including the proposed per-night maximum lodging expense increase from \$135 to \$140 per night. In addition, based on the Internal Revenue Service's 2020 set rate for reimbursement of mileage for personally-owned vehicles, the standard mileage rate has been updated to \$0.575, down from \$0.58 in 2019.

Ms. McCargar announced that Milena De Melo, Controller, will be the new point person for reviewing and processing the Delegate Expense Claim forms.

Recommendation

It was recommended that the RCRC Board of Directors review and approve the proposed Board Travel Expense Policy, Resolution 20-01.

Supervisor Rex Bohn, Humboldt County, motioned to approve the RCRC Resolution 20-01: RCRC Board Travel Policy. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passed with all Supervisors present voting "Aye."

RCRC Resolution 20-02: Board of Directors Code of Conduct

Paul A. Smith, Senior Vice President Governmental Affairs, provided an overview of the proposed revisions to Resolution 20-02, RCRC Board Code of Conduct. Mr. Smith

explained that the Code of Conduct is approved annually at the first RCRC Board of Directors meeting of the year.

Staff Recommendation

Staff recommended that the RCRC Board of Directors review and approve RCRC Resolution 20-02: Board of Directors Code of Conduct.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the RCRC Resolution 20-02: Board of Directors Code of Conduct. Supervisor Jim Holmes, Placer County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

RCRC 2020 Investment Policy Renewal

Lisa McCargar provided an overview of the 2020 Investment Policy Renewal. The Investment Committee made significant revisions to the policy to provide more current language as recognized by industry standards. Ms. McCargar explained that while the text was updated and ordering of paragraphs within the document changed, there were no policy changes made to the authorized or suitable investments in which RCRC may invest. In addition, revisions within the “Authorized and Suitable Investments” section reflect better descriptions of investments.

Staff Recommendation

It was recommended that the RCRC Board of Directors review and approve the draft RCRC 2020 Investment Policy.

Supervisor Rex Bohn, Humboldt County, motioned to approve the RCRC 2020 Investment Policy Renewal. Supervisor Gerry Hemmingsen, Del Norte County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Overview of the State Budget

Paul A. Smith provided a brief overview of the Governor’s 2020-21 proposed Budget, which was released on January 10, 2020. Mr. Smith requested supervisors to review the letter RCRC staff penned to Governor Newsom that outlined California’s rural counties’ 2020-21 State Budget priorities. The letter was sent to the Governor before the January 10th release of the proposed Budget.

Staci Heaton, Senior Regulatory Affairs Advocate, highlighted the following: the proposed Cap-and-Trade Expenditure Plan which includes allocations to forest health programs and others; the creation of the Climate Catalyst Fund which provides low-interest loans to the private market for climate-related technologies and infrastructure; the continued commitment to address emergency preparedness and response; and, assistance to help local governments improve their resiliency to Public Safety Power Shutoff events.

Mary-Ann Warmerdam, Senior Legislative Advocate, highlighted the following: the inclusion of State Payment in Lieu of Taxes allocation to local governments; allocations to the University of California, Division of Agriculture and Natural Resources, including the proposed Fresno-Merced Food Innovation Corridor; funding to support local implementation of the Sustainable Groundwater Management Act; and, the proposed climate resilience bond for the November 2020 ballot.

Tracy Rhine, Legislative Advocate, highlighted the following: the In-Home Supportive Services program; efforts to update the Mental Health Services Act; the ongoing efforts to spur housing production; and, efforts to confront the homelessness crisis. Ms. Rhine provided an overview of Governor Newsom's Executive Order, which explored siting affordable housing on excess state land.

Consideration of 2020 RCRC Sponsored Legislation

Paul A. Smith discussed two 2020 Legislative Session proposals for potential RCRC sponsorship/co-sponsorship.

The two legislative items addressed include: the interstate cannabis-export, which would allow the Governor to enter into compacts with other states to allow cannabis/cannabis products to move across state lines; and, Alcohol Beverage Control licenses in Mariposa County, which would increase the amount of on-sale alcoholic beverage licenses available.

The RCRC Board of Directors discussed at length the pros and cons of the two proposals as it pertains to RCRC member counties.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors approve the sponsoring/co-sponsoring of the above-mentioned legislative proposals.

Supervisor Rex Bohn, Humboldt County, motioned to approve the interstate cannabis-export proposal. Supervisor Stacy Corless, Mono County, seconded the motion. Motion passed with the following roll call vote taken:

“Aye”: Supervisor David Griffith, Alpine County; Supervisor Doug Teeter, Butte County; Supervisor Jack Garamendi, Calaveras County; Supervisor Denise Carter, Colusa County; Supervisor Gerry Hemmingsen, Del Norte County; Supervisor Lori Parlin, El Dorado County; Supervisor Rex Bohn, Humboldt County; Supervisor Michael Kelley, Imperial County; Supervisor Matt Kingsley, Inyo County; Supervisor E.J Crandell, Lake County; Supervisor Kevin Cann, Mariposa County; Supervisor Carre Brown, Mendocino County; Supervisor Daron McDaniel, Merced County; Supervisor Stacy Corless, Mono County; Supervisor Jim Holmes, Placer County; Supervisor Anthony Botelho, San Benito County; Supervisor Lee Adams, Sierra County

“No”: Supervisor Brian Oneto, Amador County; Supervisor Aaron Albaugh, Lassen County; Supervisor David Rogers, Madera County; Supervisor Geri Byrne, Modoc County; Supervisor Diane Dillon, Napa County; Supervisor Dan Miller, Nevada County; Supervisor Les Baugh, Shasta County; Supervisor Michael Kobseff, Siskiyou County; Supervisor Mat Conant, Sutter County; Supervisor Bob Williams, Tehama County; Supervisor Kuyler Crocker, Tulare County; Supervisor Sherri Brennan, Tuolumne County; Supervisor Randy Fletcher, Yuba County

Supervisor Jeremy Brown, Trinity County, abstained. Supervisor Chris Lopez, Monterey County, and Supervisor Gary Sandy, Yolo County, absent.

Supervisor Doug Teeter, Butte County, motioned to approve the Alcohol Beverage Control licenses in Mariposa County proposal. Supervisor Diane Dillon, Napa County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Adoption of RCRC’s 2020 Policy Principles

Paul A. Smith provided an overview of the proposed RCRC 2020 Policy Principles, and explained that the December 2019 RCRC Board Packet contained the draft RCRC 2020 Policy Principles.

RCRC staff received recommended changes from a handful of RCRC member counties. The edits and amendments recommended by RCRC member counties and staff was presented in the January 2020 RCRC Board Packet.

Recommendation

Supervisor Diane Dillon, Napa County, requested the following text be incorporated under the Public Safety Power Shutoff (PSPS) section of the 2020 Policy Principles: “RCRC supports legislation and regulatory decision making to ensure consistent statewide direction to utilities on communication and notification of PSPS events.”

Supervisor Diane Dillon, Napa County, motioned to incorporate the PSPS verbiage to the 2020 Policy Principles. Supervisor Jim Holmes, Placer County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

RCRC staff recommended that the RCRC Board of Directors approve the 2020 Policy Principles, as amended.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the 2020 Policy Principles, as amended. Supervisor Jim Holmes, Placer County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Forest Management and Wildfire Update

Staci Heaton provided an update on several efforts to address California's persistent wildfire events, including: the dispute between the California Insurance Commissioner Ricardo Lara and the Fair Access to Insurance Requirements (FAIR) Plan that would require the FAIR Plan to offer a comprehensive policy; Governor Newsom's Executive Order which prohibits price gouging for recovering communities; and, the release of the final California Vegetation Treatment Program Environmental Impact Report.

Federal Issues Update

Paul A. Smith encouraged supervisors to review the memo for updates on issues at the federal level that are of importance to RCRC member counties, including a two-year reauthorization of the Secure Rural Schools and continued funding of the Federal Payments In Lieu of Taxes program, appropriations for FY 2020, cannabis and hemp banking, rural broadband and telecommunications, disaster relief, State and Local Tax Cap, United States–Mexico–Canada Agreement, and infrastructure.

State Legislation

Paul A. Smith explained that the California Legislature recently reconvened for the 2020 Legislative Session. Given this is the second year of the 2019-20 Legislative Session, policy committees are considering "two-year" bills left over from 2019. These bills must be passed out of their house of origin by January 31, 2020. Mr. Smith noted that a number of legislative items will require further review after the bill introduction deadline on February 21, 2020.

Mr. Smith reported on the following:

- Assembly Bill 315 (C. Garcia), would have placed burdensome restrictions and reporting requirements on municipal advocacy organizations such as RCRC. Fortunately, Assembly Member Garcia withdrew AB 315 from being heard in the Assembly Local Government Committee.

Staci Heaton reported on the following:

- Assembly Bill 19 (Waldron), the RCRC-sponsored bill which allocates funds to local agencies specifically for purchasing equipment to clear brush and other fire-prone materials from around local roads. Ms. Heaton recently testified before the Assembly Natural Resources Committee in support.

John Kennedy, Legislative Advocate, reported on the following:

- Assembly Bill 1907 (Santiago), the recently-introduced bill which would exempt from environmental review under the California Environmental Quality Act certain activities approved by or carried out by a public agency in advance of providing emergency shelters, supportive housing, or affordable housing.
- Senate Bill 372 (Wieckowski), the Beverage Container Recycling Act of 2020, which, among other provisions, requires beverage container distributors of beverage containers to form a stewardship organization. SB 372 awaits consideration in the Senate Environmental Quality Committee.

California Public Utilities Commission Wildfire Proceedings Update

Staci Heaton, John Kennedy, and Leigh Kammerich, Regulatory Affairs Specialist, provided an overview of three proceedings undertaken by the California Public Utilities Commission (CPUC), including how utilities undertake wildfire hazard mitigation, de-energization of power lines to prevent high-severity wildfires, and the Self-Generation Incentive Program (SGIP).

RCRC recently filed comments pertaining to the Wildfire Mitigations Plan (WMP) and new processes. RCRC supports the annual auditing of WMP's that the maturity model currently contemplates, but expressed concern with the uncertain future of public participation guarantees.

In addition, RCRC recently filed comments on de-energization, particularly on Pacific Gas and Electric's after-action reports, and requested more scrutiny of these events by the CPUC, as well as better insight from the utility on these reports.

Lastly, RCRC recently moved for party status, and submitted comments on SGIP. RCRC made comments in support of the Proposed Decision, but also requested that county elections offices be included as a non-residential critical resiliency need to access program funding. RCRC understands the benefits of energy storage technology to improve resilience during de-energization, but knows it cannot be the sole method used to achieve local resiliency. RCRC will continue to advocate for a broad suite of solutions for resilient communities and customers.

Industrial Hemp Regulations

Paul A. Smith, Arthur Wylene, General Counsel, and Leigh Kammerich provided an overview of the Industrial Hemp Cultivation, Abatement and Enforcement Regulations currently proposed by the California Department of Food and Agriculture (CDFA).

The state and federal regulators issued rulemaking for commercial industrial hemp production, testing, and enforcement. In mid-October 2019 CDFA released proposed regulations. RCRC has submitted comments explaining that CDFA should make specific revisions to the state regulations in order to address discrepancies.

In late-October 2019, the USDA imposed an Interim Final Rule for hemp production under federal law, including guidelines for approval of state plans. RCRC will be preparing comments for the USDA.

Mr. Smith thanked San Benito County and Shasta County's Agriculture Commissioners for their assistance. The RCRC Board of Directors discussed the regulations as it pertains to their respective counties.

California Air Resources Board Advanced Clean Trucks Regulations

Staci Heaton provided an overview of the California Air Resources Board (CARB) establishing sales requirements on truck manufacturers and reporting requirements for fleet operators of light/medium duty and heavier trucks. Ms. Heaton discussed the

negative impacts the regulations would have on RCRC member counties should these regulations go into effect, including a reduction of used vehicles from urban areas, which would significantly shrink the pool of available used vehicles in the future for rural communications; and, that all municipal fleets would be required to comply with the reporting requirements regardless of size or location. The reporting requirements are onerous, and likely signify further regulatory restrictions on fleet makeup and purchases in the future.

While RCRC did not file formal comments, RCRC did send a letter to CARB outlining concerns with both the proposal and CARB's lack of outreach to local governments.

Water Issues Update

Mary-Ann Warmerdam, Senior Legislative Advocate, provided a brief update on issues involving California water policy. Ms. Warmerdam spoke on the Water Resiliency Initiative Portfolio, which would help shape the roadmap for meeting future water needs of the state. RCRC is reviewing the document and will be submitting comments, which are due by February 7, 2020. Ms. Warmerdam also spoke briefly about the general obligation bonds to fund resources programs, and the Safe and Affordable Drinking Water Fund.

Sustainable Groundwater Management Act Update

Mary-Ann Warmerdam reminded the RCRC Board of Directors of the impending deadline for the implementation of the Sustainable Ground Water Management Act (SGMA). For those basins/sub-basins designated as critically over-drafted, the Groundwater Sustainability Plans are due to the Department of Water Resources by January 31, 2020. For basins designated as high- or medium-priority, plans are due on January 31, 2022. Ms. Warmerdam explained that RCRC staff will continue to engage in the implementation of SGMA to ensure the concerns of RCRC member counties are addressed.

Adjournment

Chair, Supervisor Daron McDaniel, Merced County, adjourned the RCRC Board of Directors Meeting at 1:55 p.m.