

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, December 6, 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 9:10 a.m.

A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Lynn Morgan	Amador
Doug Teeter	Butte
Gary Tofanelli	Calaveras
Gerry Hemmingsen	Del Norte
John Viegas	Glenn
Rex Bohn	Humboldt
Michael Kelley	Imperial
Matt Kingsley	Inyo
Jim Steele	Lake
Aaron Albaugh	Lassen
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Stacy Corless	Mono
Diane Dillon	Napa
Dan Miller	Nevada
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
Matt Rexroad	Yolo
Andy Vasquez	Yuba

Absent

Denise Carter	Colusa
Michael Ranalli	El Dorado
David Rogers	Madera

Geri Byrne	Modoc
Jim Holmes	Placer
Kevin Goss	Plumas
Lynn Compton	San Luis Obispo

Others in Attendance

Supervisor Miles Menetrey, Mariposa County
Annaly V. Medrano, Office of U.S. Senator Kamala Harris
Elizabeth Howard Espinosa, Hurst Brooks Espinosa
Ed Horton, Placer County Water Agency
Patrick Nevis, California Governor's Office of Business and Economic Development
Robert Bendorf Jr., Renovate America/HERO
George Apostolopoulos, Ygrene Energy Fund

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
Mary Pitto, Regulatory Affairs Advocate
Staci Heaton, Regulatory Affairs Advocate
Arthur Wylene, Governmental Affairs Counsel
Terrance Rodgers, Economic Development Officer
Maggie Chui, Governmental Affairs Coordinator
Santinia Pasquini, External Affairs Coordinator
Sarah Bolnik, Board Relations & Business Development
Elizabeth Jensen, Accountant

Pledge of Allegiance

Approval of Minutes – September 29, 2017

Chair, Bob Williams, Tehama County, called for approval of the minutes from the September 29, 2017 RCRC Board of Directors Meeting.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the minutes from the September 29, 2017 Board of Directors Meeting. Supervisor Dan Miller, Nevada County, seconded the motion. Motion passes unanimously.

Abstaining:

Supervisor Michael Kelley, Imperial County; Supervisor Kevin Goss, Plumas County; Supervisor Anthony Botelho, San Benito County; Supervisor Matt Rexroad, Yolo County

Approval of Corrected Minutes – August 16, 2017

Chair, Bob Williams, Tehama County, called for approval of the corrected minutes from the August 16, 2017 RCRC Board of Directors Meeting.

Supervisor Les Baugh, Shasta County, motioned to approve the corrected minutes from the August 16, 2017 Board of Directors Meeting. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passes.

RCRC Chair's Report

Chair, Supervisor Bob Williams, Tehama County, reminded the supervisors of the next Global Trade Services Workshop, which will be held in Tehama County on December 14, 2017.

Member County Concerns and Issues

Supervisor David Griffith, Alpine County, shared with supervisors that there are groups working to have names changed for geographic features that reference the words "Native American" or the "Confederacy."

Supervisor Griffith also shared with supervisors the concern he has with high soil moisture due to storms from the prior year.

Lastly, Supervisor Griffith voiced his concern regarding the California Department of Fish and Wildlife (DFW) imposing fees and permit requirements on lands. Supervisor Griffith stated that while DFW claims to have provided notifications, Alpine County did not receive the said notifications. Supervisor Griffith will be preparing a letter to submit to DFW.

Supervisor Bob Williams, Tehama County, echoed Supervisor Griffith's concern regarding DFW failing to provide notifications.

Supervisor Les Baugh, Shasta County, voiced his continued concern regarding the decline of volunteer firefighters.

Supervisor Rex Bohn, Humboldt County, echoed the sentiment of Supervisor Baugh regarding the decline of volunteer firefighters. Supervisor Bohn has been actively working on the possibility of offering tax credits to volunteer firefighters to increase the number of volunteers.

Supervisor Jim Steele, Lake County, concurred with supervisors on being troubled with DFW, and the decline of volunteer firefighters.

Supervisor Steele also expressed his concerns regarding high-risk and low-risk insurance issues.

Supervisor Gerry Hemmingsen, Del Norte County, echoed other supervisors concerns regarding DFW, and its unresponsiveness to issues raised by Del Norte County.

Supervisor Aaron Albaugh, Lassen County, also echoed other supervisors concern with DFW.

Public Comments

Robert Bendorf Jr., Renovate America/HERO (HERO), provided the RCRC Board of Directors a brief annual report. Mr. Bendorf shared that HERO has increased the volume of homes assisted significantly in 2017. Mr. Bendorf also noted that several bills were enacted that would enhance the program. Lastly, Mr. Bendorf thanked the counties for the partnership.

President's Report

Greg Norton, President and CEO, reported recent county visits by RCRC Board Members and RCRC staff. Those visits include Tehama County (to present the 2017 RCRC Basket Raffle Dinner checks to charities), Del Norte, Mariposa, Humboldt, and other counties. RCRC staff also participated in numerous meetings and events on behalf of rural counties.

Mr. Norton shared that the RCRC-sponsored San Joaquin Valley Regional Association of California Counties' Conference that took place on November 1-3, 2017 was very beneficial. Paul A. Smith, RCRC Vice President of Governmental Affairs, and Arthur J. Wylene, RCRC Governmental Affairs Counsel, participated on a panel to provide a cannabis licensing and regulatory update.

Mr. Norton shared with supervisors that the RCRC External Affairs Department's efforts on growing RCRC's social media presence continues to make strides.

Mr. Norton provided an update on the RCRC Governmental Affairs Department's recent advocacy accomplishments, which include: Governor Brown signing into law the RCRC-supported Assembly Bill 1499 (Gray), which dedicates the State portion of the Sales and Use Tax collected from transactions at fairgrounds to support the operations and maintenance of fairs; and, Governor Brown vetoing the RCRC-opposed Senate Bill 649 (Hueso), which requires the leasing of public property to telecommunication providers for the placement of small cell wireless facilities at a leasing rate capped by the legislature and subject only to a ministerial permitting process.

Mr. Norton highlighted events on the horizon which include: the 2018 Installation of Officers and Rural Leadership Awards Reception on January 17, 2018; the 2018 RCRC Board of Directors Meeting which will be held in Humboldt County on April 25-26, 2018; and, the RCRC Annual Meeting which will be held in Napa County on September 19-21, 2018.

WIR Report

Supervisor Kevin Cann, Mariposa County, provided an overview of the National Association of Counties' Western Interstate Region (WIR), lobbying efforts, and distributed a handout on WIR's efforts to lobby for public lands issues on behalf of 15 western states, including Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana,

Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

RCRC Bylaws Proposed Revisions to the Composition, Qualifications, and Terms of the Executive Committee

Greg Norton addressed proposed revisions to the RCRC Bylaws to restructure the composition and qualifications for membership to, and terms of service on, the RCRC Executive Committee. Following the direction of the RCRC Executive Committee at their November 15, 2017 meeting, the RCRC Executive Committee approved the RCRC Bylaw proposed revisions to be submitted to the RCRC Board of Directors. The proposed revisions to the RCRC Bylaws include:

- Requiring at least one year of service on the RCRC Board of Directors prior to participating on the RCRC Executive Committee;
- Increasing the length of service of each region representative from one year to two years; and,
- Including the Golden State Finance Authority (GSFA) Chair as an ex officio (non-voting) member to the RCRC Executive Committee.

In addition, RCRC staff recognized several numbering errors in the current Bylaws.

The RCRC Board of Directors discussed at length the pros and cons as it pertains to the RCRC Member Counties.

Staff Recommendations

It was recommended that the RCRC Board of Directors:

1. Approve the proposed revisions to the Bylaws regarding Executive Committee member qualifications, term and the composition of the RCRC Executive Committee.
2. Approve technical revisions to correct referencing of sections in the Bylaws.

Supervisor Carre Brown, Mendocino County, called for approval of the RCRC Bylaws Proposed Revisions to the Composition, Qualifications, and Terms of the Executive Committee. Supervisor Michael Kelley, Imperial County, seconded the motion. Motion passes with Supervisor Matt Rexroad, Yolo County, voting “No.”

Election of the 2018 RCRC Officers and Corporate Officers

Greg Norton explained the election process for the 2018 RCRC Officers, and shared that Supervisor Les Baugh, Shasta County and Supervisor Matt Kingsley, Inyo County, expressed their interest in the Second Vice Chair position. Each of the nominees addressed the RCRC Board of Directors. RCRC staff collected one election ballot for each member county present. Greg Norton, Paul A. Smith and Supervisor Bob Williams, counted the votes, and announced the following officers:

2018 Chair	Supervisor Rex Bohn, Humboldt County
2018 First Vice Chair	Supervisor Randy Hanvelt, Tuolumne County
2018 Second Vice Chair	Supervisor Matt Kingsley, Inyo County
2018 Immediate Past Chair	Supervisor Bob Williams, Tehama County

RCRC's 2018 Officer slate becomes effective January 1, 2018. The Officers will be sworn in at the 2018 Installation of Officers and Rural Leadership Awards Reception on January 17, 2018.

Greg Norton nominated the following individuals to serve, in addition to himself, as the 2018 RCRC Corporate Officers:

Lisa McCargar	RCRC Treasurer
Craig Ferguson	RCRC Secretary

Staff Recommendations

It was recommended the RCRC Board of Directors take action to:

1. Elect the 2018 RCRC Board Officers.
2. Confirm the RCRC Corporate Officers.

Supervisor Carre Brown, Mendocino County, called for approval of the Election of the 2018 RCRC Officers and Corporate Officers. Supervisor David Griffith, Alpine County, seconded the motion. Motion passes unanimously.

Election of the 2018 Executive Committee

Greg Norton reviewed the election procedure for the 2018 RCRC Executive Committee. Supervisors from each region convened to caucus and selected a Board Member to serve on the RCRC Executive Committee. Representatives from each region reported the following selections for the 2018 RCRC Executive Committee:

Region 1:	Supervisor Michael Kobseff, Siskiyou County
Region 2:	Supervisor Aaron Albaugh, Lassen County
Region 3:	Supervisor Diane Dillon, Napa County
Region 4:	Supervisor Stacy Corless, Mono County
Region 5:	Supervisor Daron McDaniel, Merced County

RCRC 2018 Investment Policy Renewal

Lisa McCargar, RCRC Chief Financial Officer, informed the supervisors that the 2018 Investment Policy Renewal remains unchanged, and was reviewed and approved by the RCRC Executive Committee at their November 15, 2017 meeting.

Staff Recommendation

RCRC staff recommended that the RCRC Board of Directors review and approve the RCRC 2018 Investment Policy Renewal as presented.

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the RCRC 2018 Investment Policy Renewal. Supervisor David Griffith, Alpine County, seconded the motion. Motion passes unanimously.

RCRC 2018 Proposed Budget

Lisa McCargar outlined the proposed 2018 RCRC Operating Budget to the RCRC Board of Directors. Ms. McCargar provided an overall summary, highlighting revenue and expenditures, and outlining the key differences between the 2018 and 2017 Expenditure Budgets. The proposed operating budget was reviewed and approved by the RCRC Executive Committee at their November 15, 2017 meeting.

The RCRC Board of Directors discussed at length the proposed 2018 Proposed Budget, and Ms. McCargar addressed various questions posed by supervisors.

Staff Recommendations

It was recommended that the RCRC Board of Directors approve the following RCRC staff recommendations:

1. Approve the attached proposed 2018 RCRC Operating Budget.
2. Approve the RCRC contract service fees at the following amounts:
GSFA - \$2,633,000; ESJPA - \$63,000; and NHF - \$2,114,000
3. Approve the RCRC contract Performance Fee from GSFA based on projected GSFA program net revenues generated in 2018 in the amount of \$1,750,000.
4. Approve receipt of excess resources/revenues transferred from NHF, per the NHF Bylaws, in the amount of \$1,000,000, to be transferred in equal quarterly amounts of \$250,000 beginning January 2018.
5. Approve 2018 member county dues calculation at the levels approved by the Board on June 13, 2012.
6. Approve the attached proposed 2018 pay rate schedule.
7. Approve the proposed outlay for capitalized expenditures in the amount of \$262,000
8. Approve reallocating \$1,467,000 previously earmarked as \$350,000 pension set-aside and the remaining \$1,117,000 as OPEB set-aside, as follows:
 - a. Approximately \$1,117,000 will now be reallocated for pension funding
 - b. \$350,000 will be considered set aside for future OPEB funding
9. Approve staff's recommendation to substantially fund the pension plan, as soon as administratively feasible and working in conjunction with CalPERS, as follows:
 - a. Utilize \$1,117,000 from the LAIF set-aside

- b. Utilize \$2,000,000 of existing RCRC resources to further pay down the pension liability

Supervisor Andy Vasquez, Yuba County, motioned to approve the RCRC 2018 Proposed Budget. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes unanimously.

Support of iFoster 1 Laptop Program for Foster Youth

Greg Norton provided a presentation on iFoster's 1 Laptop Program for Foster Youth (Program), which provides laptops to eligible foster youth and former foster youth ages 16-21 to help them succeed at school and in the workforce. The Program will be made available to eligible foster youths in Member Counties and will benefit approximately 1,200 foster youths.

Mr. Norton requested that the RCRC Board of Directors consider approving a one-time contribution of \$200,000 to the Program to partially fund the Program. RCRC affiliate, National Homebuyers Fund, Inc., is partnering with RCRC in this effort to complete the funding by contributing an additional \$200,000 to the Program.

Mr. Norton mentioned that he will invite Serita Cox, Co-Founder and CEO of iFoster, to present at a future RCRC Board of Directors Meeting.

Staff Recommendations

It was recommended that the RCRC Board of Directors approve a one-time contribution of \$200,000 to iFoster to fund the 1 Laptop Program for the purpose of providing new laptops with the necessary software to eligible foster youth and former foster youth ages 16-21 within RCRC's 35 Member Counties.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the Support of iFoster 1 Laptop Program for Foster Youth. Supervisor John Viegas, Glenn County, seconded the motion. Motion passes.

Update on CalPERS Discussions Involving Increased Costs to RCRC Member Counties

Lisa McCargar provided a brief status to address RCRC Member Counties' concerns pertaining to the California Public Employment Retirement System (CalPERS). Ms. McCargar recognized that costs to most rural counties who participate in CalPERS have dramatically escalated, and will continue to rise in the coming years.

Ms. McCargar, along with select RCRC Member Counties' staff from Tehama, Tuolumne, and Modoc Counties, had the opportunity to share information on critical issues regarding pension funding, costs, and sustainability with CalPERS executives and board members.

Ms. McCargar noted that staff will continue to monitor and participate in discussions related to employer relations and pensions, and will provide updates to future RCRC Board of Directors Meetings.

RCRC Rural Leadership Awards

Paul A. Smith, RCRC Vice President Governmental Affairs, informed the RCRC Board of Directors that the RCRC Executive Committee selected Senator John Moorlach (R-Orange) and Assembly Member Anna Caballero (D-Monterey) as the recipients of the RCRC 2017 Rural Leadership Award. The Awards will be presented at the 2018 Installation of Officers and Rural Leadership Awards Reception on January 17, 2018, which will be held at the California Chamber of Commerce California Room in Sacramento.

2018 Installation of Officers and Rural Leadership Awards Reception

Justin Caporusso, RCRC Vice President External Affairs, informed the RCRC Board of Directors of the 2018 Installation of Officers and Rural Leadership Awards Reception that will be held on January 17, 2018 at the California Chamber of Commerce in Sacramento. RCRC Board Members were encouraged to submit their lodging requests for the Marriott Residence Inn to Santinia Pasquini, RCRC External Affairs Coordinator. Official invitations to the 2018 Annual Installation of Officers and Rural Leadership Awards Reception will be disseminated soon.

Tree Mortality Task Force Update

Staci Heaton, RCRC Regulatory Affairs Advocate, reported on recent activities of the California Tree Mortality Task Force (Task Force), which meets monthly.

Ms. Heaton reported that the USDA Forest Service (USFS) have concluded their round of aerial surveys in July 2017. The updated tree mortality aerial survey results, which are expected to show an increase in tree mortality numbers, are expected to be released sometime this month.

Ms. Heaton reported that the Task Force continues to work on the issue of homeowners' insurance cancellations and non-renewals. Ms. Heaton directed supervisors to review the correspondences in the RCRC Board of Directors' Meeting Supplemental Board Packet.

Lastly, Ms. Heaton explained that the Governor's Office of Emergency Services (Cal OES) have distributed letters to counties that misinterprets the meaning of Assembly Bill 1066 (Aguiar-Curry), relating to tree removal work. RCRC staff is actively working to have Cal OES retract the letter.

Proposed 2018 Policy Principles

Paul A. Smith presented the drastically-revised proposed 2018 Policy Principles to the RCRC Board of Directors. The 2018 proposed Policy Principles would remove redundancies, and would make the document more practical. RCRC's Policy Principles help guide RCRC staff when reviewing proposed legislation or regulations in order to determine the appropriate action.

At their November 15, 2017 meeting, the RCRC Executive Committee permitted staff to proceed with drastically-revising the Policy Principles. Mr. Smith directed supervisors to review the handout that provided a comparison of the old Policy Principles and the

proposed new Policy Principles. Board Members were requested to review the draft Policy Principles and provide edits, amendments, and comments, in writing, to Maggie Chui no later than January 3, 2018. These proposed revisions will be considered for inclusion in the 2018 proposed Policy Principles at the January 2018 RCRC Board of Directors Meeting.

Senate Bill 5 (De León): Parks & Water Bond

Mary-Ann Warmerdam, RCRC Senior Legislative Advocate, provided an assessment of Senate Bill 5 (De León), also known as the Drought, Water, Parks, Climate, Coastal Protection & Outdoor Access for All Act of 2018, a bond proposal to be considered by California voters in June 2018.

Ms. Warmerdam explained to supervisors that SB 5 provides specific allocations to programs that are of importance to rural counties, and would complement ongoing efforts to improve/re-invest in needed water-related infrastructure and projects.

Ms. Warmerdam noted that a second water bond proposal is being circulated for signature, which has met 51 percent of the needed signatures to be eligible for the November 2018 ballot.

The RCRC Board of Directors discussed at length the pros and cons as it pertains to RCRC Member Counties.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position on SB 5.

Supervisor Stacy Corless, Mono County, moved to adopt a “Support” position on Senate Bill 5 (De León): Parks & Water Bond. Supervisor Lee Adams, Sierra County, seconded the motion.

Following discussion, a substitute motion was offered: Supervisor Les Baugh, Shasta County, moved to substitute a motion to adopt a “No Position” position on Senate Bill 5 (De León): Parks & Water Bond. Supervisor John Fenley, Trinity County, seconded the motion. The substitution and the substitute motion for “No Position” passes in a single vote with all Supervisors present voting “Yes” except for Supervisor Stacy Corless, Mono County; Supervisor Lee Adams, Sierra County; and Supervisor Diane Dillon, Napa County voting “No.”

2017 Legislative Housing Package

Tracy Rhine, RCRC Legislative Advocate, provided an overview on the Housing Package, which is comprised of 15 legislative measures aimed at creating more affordable housing in California. The Housing Package, among others, revises planning requirements, creates project streamlining, and expands the power of the State in review of local planning.

On November 29, 2017, RCRC staff held a conference call for interested Member Counties' staff to discuss the new laws and possible issues counties would face. Ms. Rhine mentioned that though many provisions of the Housing Package will have a comparatively limited impact on many Member Counties, there are a number of significant changes that will influence local housing planning and processes.

Ms. Rhine encouraged supervisors to share the RCRC memo with respective county staff for county discussion relating to implementation.

Update on Farm Bill

Mary-Ann Warmerdam provided a progress report on the current status of the 2018 Farm Bill, which is the primary federal priority for RCRC staff.

RCRC's key priorities as it relates to the 2018 Farm Bill include rural development investments in broadband, water infrastructure, energy efficiency, and housing. Ms. Warmerdam explained that the Rural Development Title relates to broadband deployment, housing, energy efficiency, and community development, and the Forestry Title relates to fire-borrowing and forest health.

During a recent visit to Washington, D.C., Ms. Warmerdam shared that it appears the House of Representatives is interested in addressing the Farm Bill early next year. However, it does not appear the Farm Bill will have a new infusion of dollars.

Paul A. Smith shared that Ms. Warmerdam and himself will be travelling frequently to Washington, D.C. in 2018 to advocate RCRC's priorities as it relates to the Farm Bill. Mr. Smith noted that staff will continue to update the RCRC Board of Directors on the progress of the 2018 Farm Bill.

Federal Tax Reform Update

Paul A. Smith provided an update on the status of Congressional efforts to reform the federal tax code.

Mr. Smith shared that both the House of Representatives and the U.S. Senate have passed their respective tax reform packages, and will soon convene a conference committee to reach a final conference agreement. Mr. Smith directed supervisors to review the attachment titled "Federal Tax Reform Comparison Chart" in the RCRC Board of Directors' Meeting Board Packet to review significant differences between the two tax reform packages.

Mr. Smith noted that staff will provide an update at a future RCRC Board of Directors Meeting.

Water and Natural Resources Committee Issues

Mary-Ann Warmerdam provided a brief update on issues related to water and natural resources which include: conversation continues at the California State Water Resources Control Board regarding conservation efforts and methods; the Sustainable Groundwater Management Act continues to be implemented; and, the California Department of Water Resources announced allocations to surface water developers.

Adjournment

Chair, Supervisor Bob Williams, Tehama County, adjourned the RCRC Board of Directors Meeting at 1:56 p.m.