

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, December 7, 2016 – 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 John Viegas, Glenn County, called the meeting to order at 9:09 a.m.

A quorum was determined at that time. Those present:

| <u>Supervisor</u> | <u>County</u> |
|--------------------------|----------------------|
| Mary Rawson | Alpine |
| Brian Oneto | Amador |
| Doug Teeter | Butte |
| Kim Dolbow Vann | Colusa |
| Dave Finigan | Del Norte |
| Michael Ranalli | El Dorado |
| John Viegas | Glenn |
| Rex Bohn | Humboldt |
| Matt Kingsley | Inyo |
| David Rogers | Madera |
| Kevin Cann | Mariposa |
| Carre Brown | Mendocino |
| John Pedrozo | Merced |
| Geri Byrne | Modoc |
| Tim Alpers | Mono |
| Diane Dillon | Napa |
| Nate Beason | Nevada |
| Les Baugh | Shasta |
| Lee Adams | Sierra |
| Michael Kobseff | Siskiyou |
| Larry Munger | Sutter |
| Bob Williams | Tehama |
| John Fenley | Trinity |
| Allen Ishida | Tulare |
| Randy Hanvelt | Tuolumne |
| Matt Rexroad | Yolo |
| Roger Abe | Yuba |

Absent

| | |
|--------------------|-----------|
| Cliff Edson | Calaveras |
| Michael Kelley | Imperial |
| Anthony Farrington | Lake |
| Aaron Albaugh | Lassen |

| | |
|-----------------|-----------------|
| Jim Holmes | Placer |
| Kevin Goss | Plumas |
| Anthony Botelho | San Benito |
| Lynn Compton | San Luis Obispo |

Others in Attendance

Ed Horton, Placer County Water Agency
Commissioner Catherine Sandoval, California Public Utilities Commission
Ditas Katague, California Public Utilities Commission
Graham Knaus, CSAC
Supervisor Ed Valenzuela, Siskiyou County
Supervisor-Elect David Griffiths, Alpine County
Supervisor Stacy Corless, Mono County
Wanda Ishida

Staff in Attendance

Greg Norton, President & CEO
Patricia Megason, Executive Vice President
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Paul A. Smith, Senior Legislative Advocate
Mary Pitto, Regulatory Affairs Advocate
Staci Heaton, Regulatory Affairs Advocate
Justin Caporusso, Director of Public Affairs
Sarah Bolnik, Office Manager
Terrance Rodgers, Economic Development Officer
Randall Echevarria, Legislative Analyst
Santinia Pasquini, Legislative Analyst
Tracy Rhine, Legislative Advocate
Mary-Ann Warmerdam, Legislative Advocate
Nick Konovaloff, Legislative Analyst

Pledge of Allegiance

Approval of Minutes – September 30, 2016

Chair, John Viegas, Glenn County, called for approval of the minutes from the September 30, 2016 Board of Directors Meeting.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the minutes from the September 30, 2016 Board of Directors Meeting. Supervisor John Pedrozo, Merced County, seconded the motion. Motion passes unanimously.

Abstaining:

Supervisor Kim Dolbow Vann, Colusa County

RCRC Chair's Comments

Supervisor John Viegas, Glenn County, extended his extreme gratitude to the RCRC Board of Directors, staff, and sponsors of the 2016 Annual Meeting for their generosity in raising more than \$41,000 for Glenn County charities. Supervisor Viegas presented the Glenn County recipients with their checks during the December 6, 2016 Glenn County Board of Supervisors meeting. Supervisor Viegas thanked both Greg Norton and Justin Caporusso for their attendance at this event. The recipients include the Westside Domestic Violence Shelter, the Orland Pantry, the Willows Food Bank, the Glenn County 4-H Council, the Senior Centers Willows and Orland, Willows High School Grad Night, Orland High School Sober Grad Night, and Hamilton High Sober Grad Night. Each organization received a check for \$5,200.00.

Member County Concerns and Issues

Supervisor Michael Ranalli, El Dorado County, reported that CAL FIRE recently opened up a four-week grant cycle to assist and support Tree Mortality mitigation in high hazard counties. A total of \$15.7 million will be awarded to the counties of Fresno, Tuolumne, Mariposa, Calaveras, and El Dorado.

Supervisor Les Baugh, Shasta County, discussed a recent RCRC-sponsored event in Shasta County. The Economic Development Trade Summit was co-hosted in Redding on November 17th and was well-attended. He also indicated that Shasta County's \$180 million of unfunded liability for employee health care is expected to be totally eliminated in 20 years through the implementation of a 401(a) plan.

Supervisor Allen Ishida, Tulare County, thanked RCRC for all of the support they have provided both Tulare County as well as himself directly.

Supervisor Nate Beason, Nevada County, reported that after eight years of work, the State Water Board granted Nevada County \$2 Million to reconfigure the Cascade Shores Wastewater Treatment Plant and help stabilize rates. Supervisor Beason stated this will allow the County to lower costs on wastewater treatment over time.

Supervisor Tim Alpers, Mono County, introduced Supervisor Stacy Corless from Mono County, who will be serving as the 2017 Delegate on the RCRC Board of Directors.

Supervisor John Pedrozo, Merced County, thanked RCRC for everything and stated that he will miss both the Board of Directors as well as the RCRC staff very much.

Supervisor Mary Rawson, Alpine County, thanked the Board of Directors as well as the RCRC staff for all the support provided to Alpine County. Supervisor Rawson introduced Supervisor-Elect David Griffiths as he will serve as the 2017 RCRC Delegate from Alpine County.

Supervisor Roger Abe, Yuba County, stated that he believes Yuba County's involvement in RCRC is his greatest accomplishment as a Supervisor. Supervisor Abe will miss all of the friends he has made through RCRC.

Supervisor David Finigan, Del Norte County, thanked RCRC for all of their hard work to better California's rural counties. Supervisor Finigan stated that every member and staffer will be greatly missed by him.

Supervisor Geri Byrne, Modoc County, would like more information on a federal overtime employment rule that has been the subject of federal litigation.

Supervisor David Rogers, Madera County, announced his support of efforts being undertaken by U.S. Senator Dianne Feinstein in the last days of the 114th Congress to address a variety water issues.

Supervisor John Viegas, Glenn County, thanked all of the retiring county supervisors for their support and belief in him as Chairman of the Board, as well as their friendship.

Public Comments

Graham Knaus, California State Association of Counties, thanked RCRC staff and the RCRC Board of Directors for their attendance at the CSAC Annual Conference held in Palm Springs.

President's Report

Greg Norton, President & CEO, welcomed everyone to the meeting. Mr. Norton discussed staff visits to a number of counties including Glenn, Mariposa, Shasta, San Luis Obispo, Tehama, Nevada, and Merced counties. Mr. Norton also noted that he as well as the Governmental Affairs staff attended the CSAC Annual Conference last week in Palm Springs.

Mr. Norton presented the Supervisors who were not returning to the RCRC Board of Directors with a personalized clock. Supervisor Mary Rawson, Alpine County; Supervisor Cliff Edson, Calaveras County (Absent); Supervisor Dave Finigan, Del Norte County; Supervisor Anthony Farrington, Lake County (Absent); Supervisor John Pedrozo, Merced County; Supervisor Tim Alpers, Mono County; Supervisor Nate Beason, Nevada County; Supervisor Allen Ishida, Tulare County; Supervisor Roger Abe, Yuba County. He assured these members of the Board of Directors that each will be missed greatly.

Mr. Norton also announced that this is Patricia Megason's, Executive Vice President, last meeting with RCRC. Mr. Norton as well as other members of the Board took a moment to thank Ms. Megason for all of her hard work and friendship over the past 14 years. Mr. Norton presented Ms. Megason with an engraved glass serving tray with the RCRC logo, a token of thanks for her service to California's rural counties. Supervisor Diane Dillon presented Ms. Megason with a Certificate of Recognition on behalf of Congressman Mike Thompson (Napa County).

Ms. Megason addressed the Board stating that she appreciates all of the support she has received, as well as the kind words from everyone. She will miss all of the supervisors as well as the staff, but promised the group that she is leaving the organization in good hands.

Mr. Norton provided an update on RCRC's economic development activities, including a series of workshops scheduled throughout the state that will provide training and education to rural businesses on expanding their markets. Additionally, Mr. Norton, along with NHF Vice President Craig Ferguson and RCRC Economic Development Officer Terrance Rodgers will be meeting with key staff from the USDA Rural Development as they meet with investors discussing water infrastructure projects in rural America. Mr. Norton encouraged member counties to circulate the previously distributed survey within their county to identify potential water infrastructure pilot projects within California's rural counties.

WIR Report

Supervisor Kevin Cann, Mariposa County, provided an overview of the National Association of Counties' (NACo) Western Interstate Region (WIR), and distributed a historical packet on WIR's efforts to lobby for public lands issues on behalf of 15 western states. Supervisor Cann encouraged those members who are interested to get involved with WIR.

Election of the 2017 RCRC Officers and Corporate Officers

Greg Norton explained the election process for the 2017 RCRC Officers and shared that Supervisor Randy Hanvelt, Tuolumne County, and Supervisor John Fenley, Trinity County, have both submitted letters of interest for the Second Vice-Chair position. The Officers will be sworn in at the Annual Reception and Rural Leadership Awards Ceremony on January 18, 2017.

Each of the nominees addressed the RCRC Board of Directors. RCRC Staff collected one election ballot for each member county present at the meeting. Greg Norton, Patricia Megason, and Supervisor John Viegas counted the votes, and announced the following officers for 2017:

| | |
|---------------------------|---|
| 2017 Chair | Supervisor Bob Williams, Tehama County |
| 2017 First Vice-Chair | Supervisor Rex Bohn, Humboldt County |
| 2017 Second Vice-Chair | Supervisor Randy Hanvelt, Tuolumne County |
| 2017 Immediate Past Chair | Supervisor John Viegas, Glenn County |

Greg Norton nominated the following individuals to serve, in addition to himself, as the 2017 RCRC Corporate Officers:

| | |
|----------------|---------------------|
| Lisa McCargar | Treasurer |
| Craig Ferguson | Assistant Secretary |

Chair, Supervisor John Viegas, Glenn County, called for approval of the 2017 Slate of Officers as presented.

Staff Recommendations:

Staff recommends the Board of Directors take action to:

1. Elect the 2017 RCRC Board Officers.
2. Confirm the RCRC Corporate Officers as noted above.

Supervisor Michael Kobseff, Siskiyou County, called for approval of the staff recommendations. Supervisor John Pedrozo, Merced County, seconded the motion. Motion passes unanimously.

Election of the 2017 RCRC Executive Committee

Greg Norton reviewed the election procedure for the 2017 RCRC Executive Committee. Supervisors from each region convened to caucus and selected a Board Member to serve on the Executive Committee along with the four Officers. Representatives from each region reported the following selections for the 2017 RCRC Executive Committee:

- Region 1: Supervisor Les Baugh, Shasta County
- Region 2: Supervisor Doug Teeter, Butte County
- Region 3: Supervisor Diane Dillon, Napa County
- Region 4: Supervisor Matt Kingsley, Inyo County
- Region 5: Supervisor David Rogers, Madera County

Supervisor Bob Williams, Tehama County, and 2017 RCRC Chairman, announced his selections for the 2017 Committee Chairs and Vice-Chairs:

- Regulatory Committee:** Supervisor John Fenley, Trinity County (Chair)
Supervisor Aaron Albaugh, Lassen County (Vice Chair)
- Water and Natural Resources:** Supervisor Doug Teeter, Butte County (Chair)
Supervisor Les Baugh, Shasta County (Vice Chair)
- Legislative Committee:** Supervisor Diane Dillon, Napa County (Chair)
Supervisor Lee Adams, Sierra County (Vice Chair)
- ESJPA:** Supervisor Michael Kobseff, Siskiyou County (Chair)
Supervisor Michael Ranalli, El Dorado County (Vice Chair)
- GSFA:** Supervisor Kevin Cann, Mariposa County (Chair)
Supervisor Randy Hanvelt, Tuolumne County (Vice Chair)

RCRC Investment Policy Renewal 2017

Greg Norton informed the Board of Directors that the 2017 Investment Policy Renewal was reviewed and approved by the RCRC Executive Committee at their November 16, 2016 meeting. The only revision was applicable date changes.

Staff Recommendation

Staff recommends that the RCRC Board of Directors review, approve and adopt the attached 2017 RCRC Investment Policy.

Supervisor David Rogers, Madera County, motioned to approve the 2017 RCRC Investment Policy. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes.

2017 Proposed Budget for RCRC

Greg Norton summarized highlights of the proposed 2017 RCRC Operating Budget. The proposed operating budget was reviewed and approved by the RCRC Executive Committee at their November 16, 2016 meeting.

Staff Recommendations

Staff recommends that the RCRC Board of Directors approve the following staff recommendations:

1. Approve the attached proposed 2017 RCRC Operating Budget.
2. Approve the RCRC contract service fees at the following amounts:
GSFA - \$2,399,000; ESJPA - \$73,352; and NHF - \$2,449,000
3. Approve the RCRC contract Performance Fee from GSFA based on projected GSFA housing program net revenues generated in 2017 in the amount of \$1,960,750.
4. Approve receipt of excess resources/revenues transferred from NHF, per the NHF Bylaws, in the amount of \$3,000,000, to be transferred in equal quarterly amounts of \$750,000 beginning January 2017.
5. Approve 2017 member county dues calculation at the levels approved by the Board on June 13, 2012. (Attachment 2)
6. Approve the attached proposed 2017 pay rate schedule. (Attachment 3)
7. Approve setting aside \$250,000 of cash reserves that will be utilized for pension funding at a future date.
8. Approve setting aside \$250,000 of cash reserves that will be utilized for OPEB funding at a future date.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the staff recommendations. Supervisor Carre Brown, Mendocino County, seconded the motion. Motion passes.

Rural Leadership Award

Patricia Megason, Executive Vice President, informed the Board of Directors that the RCRC Executive Committee selected Assembly Member Frank Bigelow and Wade Crowfoot, former Deputy Cabinet Secretary and Senior Advisor in the Office of the Governor, as the recipients of the 2017 Rural Leadership Award. The Awards will be presented at the 2017 Reception and Rural Leadership Awards Ceremony on January 18, 2017, which will be held at the California Chamber of Commerce California Room in Sacramento.

Proposed 2017 Policy Principles

Patricia Megason presented the 2017 proposed Policy Principles to the Board of Directors for review. These principles help guide staff when they review proposed legislation or regulations in order to determine the appropriate RCRC position. Board Members were requested to review the draft Policy Principles and provide all edits, amendments, and comments, in writing, to Sarah Bolnik no later than January 4, 2017, so they can be included in the January Board Packet and considered at the January 2017 Board meeting.

California Forest Watershed Alliance (CAFWA) Update

Justin Caporusso, Director of Public Affairs, provided an update on the efforts of the California Forest Watershed Alliance (CAFWA). Mr. Caporusso stated that the communications sub-committee is developing a media plan to officially launch both the CAFWA website and advocacy video in January 2017. Additionally, the CAFWA communications sub-committee is pulling together an Editorial Board briefing packet to pitch to various statewide print publications in early 2017.

California Tree Mortality Task Force

Staci Heaton, Regulatory Affairs Advocate, provided an update on the efforts of the California Tree Mortality Task Force. The Task Force is currently focusing its efforts on addressing insurance cancellations and non-renewals, and researching avenues to assist private citizens in paying for hazard tree removal on private lands. Ms. Heaton thanked Supervisor Cann and Supervisor Hanvelt for all of their dedication and hard work on the Task Force.

Potential RCRC-Sponsored Legislation

The RCRC Governmental Affairs Staff presented a number of legislative proposals being considered for the 2017-18 Legislative Session. These topics and issues include reforming the criteria for "Disadvantaged Communities", the Williamson Act, State Payment in Lieu of Taxes (PILT), allowing for liens against real property for the collection of local marijuana taxes, establishing a multi-county assessment appeals boards, addressing driving impaired from marijuana usage, and reclamation of metallic pit mines.

Federal Legislation

Paul A. Smith, Senior Legislative Advocate, reported that a Continuing Resolution (CR) to fund the federal government through April 2017 will be reached sometime this week. Mr. Smith reported that the CR will include a continuation of Federal PILT payments based upon the previous fiscal year's allocation. Mr. Smith also informed the Board that an effort to reauthorize Secure Rural Schools payments recently failed passage, and Congress most likely will not revisit the SRS discussion until Spring 2017.

Mary-Ann Warmerdam, Legislative Advocate, updated the Board on the Water Infrastructure Improvements for the Nation (WIIN) Act: a combination of the Drought Relief and Water Resources Development Act. This combined proposal includes provisions to provide drought relief for California and the West. While there is agreement around many provisions, the measure is still a "work in progress" with several provisions still being debated; thus, the timeline for its consideration remains unclear. However, it is generally expected that it will pass the Congress and be sent to the President for his consideration.

ESJPA Update

Mary Pitto, Regulatory Affairs Advocate, provided an update on recent activities of the Rural Counties' Environmental Services Joint Powers Authority. Ms. Pitto reviewed current topics and issues of discussion including proposed disposal reporting requirements, increased scrutiny on management of used oil filters, bottle bill and tip fee reform, implementation of mandatory commercial organics diversion, and implementation of the Industrial Storm Water permit for our rural counties. Ms. Pitto invited all of the RCRC Board members to attend the ESJPA meeting taking place Thursday December 10th.

2018 California Water Plan Update

Mary-Ann Warmerdam reported on the 2018 California Water Plan (Water Plan). Ms. Warmerdam stated that the Water Plan Policy Advisory Committee held its inaugural meeting on October 25, 2016 in Sacramento, and RCRC (as a member of the twenty-eight member board) participated in the meeting. The meeting provided a very broad framework for the Water Plan as it moves forward with a scheduled completion date of December 2018. Ms. Warmerdam also noted that this is only one of several programs or discussions; others include the Bay-Delta Water Quality Plan, the California WaterFix, Prop 1 implementation and, finally, the Sustainable Groundwater Management Act. The integration of these various measures may be challenging.

Nick Konovaloff, Legislative Analyst, explained that the Water Plan envisions five chapters. Mr. Konovaloff outlined that chapters include a vision of water management in California; water management assessments including effectiveness, tracking and reporting as well as challenges; short and long term recommendations and priorities on both a statewide and regional scale; a finance plan to identify potential revenue sources and, lastly, an implementation plan.

Adjournment

Chair, Supervisor John Viegas, Glenn County, adjourned the RCRC Board of Directors Meeting at 1:23 p.m.