

Rural County Representatives of California Executive Committee Meeting

1215 K Street, Suite 1650 Board Room
Sacramento, CA 95814

In accordance with Executive Orders N-25-20 and N-29-20, the May 20, 2020 RCRC Executive Committee meeting was held virtually.

May 20, 2020 – 10:00 a.m.

Executive Committee Members:

Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Dan Miller, Nevada County
Supervisor Matt Kingsley, Inyo County
Supervisor Kevin Cann, Mariposa County (*Ex-Officio*)

Supervisor Gerry Hemmingsen, Del Norte County
Supervisor Lee Adams, Sierra County
Supervisor Denise Carter, Colusa County
Supervisor Jack Garamendi, Calaveras County
Supervisor Kuyler Crocker, Tulare County

Minutes

Call to Order and Determination of Quorum

RCRC Chair, Supervisor Daron McDaniel, Merced County, called the meeting of the RCRC Executive Committee to order at 10:02 a.m. A quorum for was determined at that time. Those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Daron McDaniel	Merced
Stacy Corless	Mono
Dan Miller	Nevada
Matt Kingsley	Inyo
Gerry Hemmingsen	Del Norte
Lee Adams	Sierra
Denise Carter	Colusa
Jack Garamendi	Calaveras
Kuyler Crocker	Tulare
Kevin Cann	Mariposa (Ex-Officio)

Absent Members

None

Staff in Attendance

Greg Norton, President and CEO
Craig Ferguson, Senior Vice President
Lisa McCargar, Chief Operating Officer/Chief Financial Officer
Paul A. Smith, Senior Vice President Governmental Affairs
Arthur Wylene, General Counsel
Barbara Hayes, Chief Economic Development Officer

Sarah Bolnik, Economic Development Specialist
Layne Frederiksen, IT Director
Staci Heaton, Senior Regulatory Affairs Advocate
Maggie Chui, Senior Governmental Affairs Coordinator
Milena De Melo, Controller
Elizabeth Jensen, Assistant Controller
Sanjay Lee, Financial Analyst
Kate Jackson, Partner, Moss Adams LLP
Joe Trone, Senior Manager, Moss Adams LLP

Others in Attendance

Supervisor Bob Williams, Tehama County

Review and Approval of May 4, 2020 Special Executive Committee Meeting Minutes

(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

Supervisor Dan Miller, Nevada County, motioned to approve the minutes of the May 4, 2020 RCRC Special Executive Committee Meeting. Supervisor Matt Kingsley, Inyo County, seconded the motion. Motion passed unanimously.

Public Comment

None

RCRC Condensed Balance Sheet (March 31, 2020)

Lisa McCargar, Chief Operating Officer/Chief Financial Officer, and Milena De Melo, Controller, presented the RCRC Condensed Balance Sheet for the quarter ended March 31, 2020, compared to the Condensed Balance Sheet as of December 31, 2018 and 2019.

RCRC Investment Report (March 31, 2020)

Lisa McCargar and Milena De Melo presented the RCRC Quarterly Investment Report which provided a summary of investment transactions from December 31, 2019 to March 31, 2020.

RCRC Budget Report (March 31, 2020)

Lisa McCargar and Milena De Melo presented the Statement of Revenues and Expenses for RCRC which provided a summary of budget to actual comparison for the quarter ended March 31, 2020.

Change to RCRC 2020 Budget, Waiver of Member County Dues

Greg Norton, President and CEO, and Lisa McCargar, Chief Operating Officer/Chief Financial Officer, discussed RCRC management's proposal to waive all member county dues for the period from July 1, 2020 to June 30, 2021 in response to the coronavirus (COVID-19) pandemic to provide limited relief to member counties. Traditionally, dues are billed annually to each member county for the period July 1st to June 30th based on member county population. If approved by the RCRC Executive Committee, the revision to the RCRC 2020 calendar year

Operating Budget will result in a reduction in revenues of \$142,500, and a carryover impact of \$142,500 to 2021 for a total impact of \$285,000.

Recommendation

It was recommended that the RCRC Executive Committee approve waiving member county dues originally approved by the RCRC Board of Directors as part of the RCRC Operating Budget for the year ended December 31, 2020, in light of the COVID-19 emergency and its fiscal impact on member counties. Upon approval, member county dues shall be zero for the period July 1, 2020 through June 30, 2021. This dues suspension furthers RCRC's nonprofit corporate purposes.

Supervisor Stacy Corless, Mono County, motioned to approve the above-mentioned recommendation. Supervisor Denise Carter, Colusa County, seconded the motion. Motion passed unanimously.

Approval of the 2019 RCRC Audited Financial Statements

Lisa McCargar and Milena De Melo presented the audited financial statements for the year ended December 31, 2019. The financial statements contain an unmodified audit opinion by Moss Adams LLP, independent auditors. The RCRC Executive Committee reviewed the financial statements and communication letters. Ms. McCargar and Ms. De Melo answered all the questions the RCRC Executive Committee members had.

Recommendation

It was recommended that the RCRC Executive Committee, acting in their capacity as the Audit Committee, review and approve the 2019 audited financial statements and communication letter as presented, for presentation to and adoption by the RCRC Board of Directors.

Supervisor Lee Adams, Sierra County, motioned to approve the 2019 RCRC audited financial statements and communication letter as presented. Supervisor Stacy Corless, Mono County, seconded the motion. Motion passed unanimously.

State & Federal Update

As it relates to the State Budget, Paul A. Smith provided a brief highlight of the key issues/changes in the Governor's May Revision of the 2020-21 State Budget affecting RCRC member counties as outlined in *The Rural Rundown*. Mr. Smith highlighted the Governor's proposed release of certain federal Coronavirus Aid, Relief, and Economic Security (CARES) Act monies to counties, including a schedule for counties under 500,000 in population to address coronavirus (COVID-19) related costs for which funding is expected to be distributed. The CARES Act funding is expected to be distributed once the 2020-21 State Budget is enacted. Mr. Smith discussed the elimination of the State Division of Juvenile Justice whereby all future youth offenders be detained and rehabilitated at the local level. Mr. Smith also discussed the state's network of fairgrounds and the Governor's May Revision which would provide funding to support short-term and legally-mandated costs.

Staci Heaton, Senior Regulatory Affairs Advocate, highlighted the Governor's May Revision as it relates to Cap-and-Trade proceeds through which \$965 million are allocated for various

greenhouse gas reduction programs, and the Governor's proposed "pay as you go" system of using the funds as auction proceeds accumulate. The Governor's May Revision also reaffirms the Governor's January proposed Budget commitment to support forest health activities, and other forest health resilience and wildfire prevention programs. Ms. Heaton also discussed the one-time \$50 million investment to address investor-owned utility public safety power shutoffs (PSPS) during wildfire hazard incidents, including assistance to local governments to prepare for PSPS events, and \$30 million to the California Public Utilities Commission to improve review of utility wildfire mitigation plans and PSPS reports.

On the federal level, Mr. Smith discussed the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, the House of Representative's second round of COVID-19 stimulus funding. The HEROES Act narrowly passed the House of Representatives, and now awaits consideration in the Senate. In addition, Representative Paul Cook (R-Yucca Valley), Representative John Garamendi (D-Walnut Grove), and Senator Bill Cassidy (R-Louisiana) are independently working on the next COVID-19 relief package. Of note, Senator Cassidy's legislation would provide an additional \$500 billion to be allocated based on population in aid to state and local governments, territories, and tribes.

On the state level, Mr. Smith shared that the State Legislature has resumed its Legislative Session after a month-and-a-half long hiatus. Policy committees in both houses are holding hearings to hear and act on hundreds of bills. The Senate has stated that COVID-19 relief efforts and housing will be their primary focus. As the Legislature continues to assess the impacts of the COVID-19 pandemic, the Legislature and the Newsom Administration will face difficult budgetary decisions. The Legislature must pass the State Budget by June 15th, although it is expected that a Governor's July Revision and a secondary State Budget in August. As such, it is expected that a full revenue picture will not be ready until mid-August. In addition, the Legislature is slated to adjourn on August 31st; however; Mr. Smith noted there are rumors that the Legislature may return for a Special Session in September.

Supervisor Kuyler Crocker, Tulare County, and Supervisor Daron McDaniel, Merced County, inquired about Governor Newsom's conversation with Silicon Valley companies regarding permanent work-from-home schemes.

RCRC Supporting the Confirmation of Chair J. Keith Gilless and Katherine Delbar, Members of the California Board of Forestry and Fire Protection

Paul A. Smith and Staci Heaton discussed RCRC supporting J. Keith Gilless, Chair and Katherine Delbar to continue serving as members of the California Board of Forestry and Fire Protection. If approved, RCRC would convey its support during the confirmation process in the State Senate.

Staff Recommendation

RCRC staff recommended the RCRC Executive Committee support the gubernatorial appointment of both J. Keith Gilless and Katherine Delbar during the confirmation process in the State Senate. In his capacity as Chair of the Board, Mr. Gilless has served on several task forces and working groups alongside RCRC staff where he advised on and advocated for beneficial forest management practices, including the Governor's Tree Mortality Task Force, the

Governor's Forest Management Task Force, and the California Forest Climate Action Team. In her service on the Board, Ms. Delbar has brought her expertise as a private rancher and timberland owner in a rural county to Board decisions on land use, vegetation treatment and timber harvesting proposals. Both members understand the unique challenges of local governments and are always willing to listen to RCRC county concerns.

Supervisor Lee Adams, Sierra County, motioned to approve the gubernatorial appointment of both J. Keith Gilless and Katherine Delbar to the California Board of Forestry and Fire Protection. Supervisor Gerry Hemmingsen, Del Norte County, seconded the motion. Motion passed unanimously.

Assembly Bill 2421 (Quirk) – Siting of Emergency Back-Up Generators

Paul A. Smith and Arthur Wylene, General Counsel, provided an overview of Assembly Bill 2421 (Quirk), which would streamline local permitting process for siting back-up power generators on macro cellular tower sites through January 1, 2024. Specifically, AB 2421 provides that siting an emergency standby generator that meets specified standards, proposed at an existing permitted macro cell tower site, is subject to a ministerial permitting process. A local agency that receives a permit application to install an emergency standby generator is required to approve or deny the application within 60 days of submittal of the application, or the application will be "deemed approved." Mr. Smith and Mr. Wylene explained that RCRC staff are concerned with the "deemed approved" provision, and RCRC staff has engaged with the author, author's staff, the policy committees, and sponsors on the suggested amendment.

RCRC staff Tracy Rhine, Legislative Advocate, has testified before the Assembly Local Government Committee requesting that amendments be made to ensure that a project must comply with all applicable laws as a condition of "deemed approved." Mr. Smith and Mr. Wylene shared that RCRC staff have had ongoing discussions, and also noted that should the author accept the suggested amendments, it may not be verbatim. Mr. Smith and Mr. Wylene shared that should the suggested amendments be accepted, the amended language would not be in print until the bill moves to the Senate.

Staff Recommendation

RCRC staff recommended that the RCRC Executive Committee adopt a "Support if Amended" position on this bill. However, it is imperative that the bill be amended to explicitly require, as a condition of permit approval, that the project meet all relevant laws. RCRC staff will continue discussions with the author's staff and bill sponsors to make the proper amendments.

Supervisor Kuyler Crocker, Tulare County, motioned to adopt a "Support if Amended" position on Assembly Bill 2421. Supervisor Stacy Corless, Mono County, seconded the motion. Motion passed unanimously.

Adjournment

Chair, Supervisor Daron McDaniel, Merced County, adjourned the meeting of the RCRC Executive Committee at 11:56 p.m.