

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, June 21, 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 9:00 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
Jack Garamendi	Calaveras
Kim Dolbow Vann	Colusa
Gerry Hemmingsen	Del Norte
Michael Ranalli	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Michael Kelley	Imperial
Matt Kingsley	Inyo
Jim Steele	Lake
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Diane Dillon	Napa
Dan Miller	Nevada
Anthony Botelho	San Benito
Lynn Compton	San Luis Obispo
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Larry Munger	Sutter
Bob Williams	Tehama
John Fenley	Trinity
Kuyler Crocker	Tulare
Randy Hanvelt	Tuolumne
Randy Fletcher	Yuba

Absent

Aaron Albaugh	Lassen
Jim Holmes	Placer
Kevin Goss	Plumas
Matt Rexroad	Yolo

Others in Attendance

Sydney Lewis, Office of U.S. Senator Kamala Harris
Supervisor Miles Menetrey, Mariposa County
Robert Bendorf Jr., Renovate America/HERO
Robin Rau, Ygrene Energy Fund
George Apostolopoulos, Ygrene Energy Fund
Betsy Hammer, CSAC
Tenaya Morningstar
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
Maggie Chui, Governmental Affairs Coordinator
Santinia Pasquini, External Affairs Coordinator
Sarah Bolnik, Board Relations & Business Development

Pledge of Allegiance

Approval of Minutes – April 27, 2017

Chair, Supervisor Bob Williams, Tehama County, called for approval of the minutes from the April 27, 2017 RCRC Board of Directors Meeting.

Supervisor David Rogers, Madera County, motioned to approve the minutes from the April 27, 2017 RCRC Board of Directors Meeting. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes unanimously.

Abstaining:

Supervisor Daron McDaniel, Merced County; Supervisor Jim Holmes, Placer County; Supervisor Kevin Goss, Plumas County; Supervisor Larry Munger, Sutter County; Supervisor John Fenley, Trinity County

RCRC Chair's Remarks

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

Member County Concerns and Issues

Supervisor Les Baugh, Shasta County, voiced his concern on recent Proposition 47 allocations by the Board of State and Community Corrections. Supervisor Baugh stated that the grants dispersed were inequitable to rural counties, and noted that a majority of other rural counties did not receive adequate allocations.

Supervisor John Fenley, Trinity County, shared the news of Trinity County District 4 Supervisor Bill Burton's resignation.

Supervisor Kuyler Crocker, Tulare County, shared that former Tulare County Supervisor and RCRC Delegate, Allen Ishida, is seeking appointment to the California Transportation Commission (CTC). Supervisor Crocker requested letters of support for Mr. Ishida. The open CTC position has been vacant for over a year and there is no due date for letters of support.

Supervisor David Griffith, Alpine County, reported that Highway 4 in Alpine County remains closed.

Supervisor Griffith also voiced his concern with group homes. Supervisor Griffith reported that the occupants of group homes in Alpine County have continued to vandalize properties and steal vehicles in Alpine County.

Supervisor Stacy Corless, Mono County, reported that Mono County held a ribbon cutting ceremony for its biomass boiler. The biomass boiler was funded through grants from the Sierra Nevada Conservancy.

Supervisor Randy Hanvelt, Tuolumne County, reported on the Trump Administration's proposal to sell off transmission assets of federal Power Marketing Agencies (PMAs). Supervisor Hanvelt reported that there is a PMA in Tuolumne County that supplies power to its prisons, schools, and other county facilities. Supervisor Hanvelt voiced his concern on the proposal, and opposed privatizing federal transmission assets.

Supervisor Kim Dolbow Vann, Colusa County, reported that Colusa County has submitted its Proposition 1 letter to the California Water Commission regarding their support for the Sites reservoir project. Supervisor Vann encouraged fellow Supervisors to submit their individual comments. The comment deadline is August 14, 2017.

Supervisor Anthony Botelho, San Benito County, reported that San Benito County was awarded \$600,000 to repair roads as part of the recently-enacted Senate Bill 1 (Beall), which will provide additional monies for road and highway maintenance. Supervisor Botelho noted that the funds received are not enough to repair San Benito's 400+ miles of road. Supervisor Botelho voiced his concern that road projects in other areas are

receiving more funding, and hopes RCRC staff continue to stay vigilant and vocal on advocating for more transportation funding on behalf of rural counties.

Supervisor David Rogers, Madera County, reported on the high rate of vehicle accidents occurring on Highway 99 in Madera County. Supervisor Rogers discussed the need for better truck inspection stations. Supervisor Rogers also voiced his concern that for nearly all of Highway 99 in Madera County there are only two lanes on each side, which causes a lot of traffic.

Supervisor Matt Kingsley, Inyo County, reported that Inyo County is satisfied with the monies it's been awarded as part of SB 1 funding.

Supervisor Kingsley also reported that travel trailers are hosting pop-up businesses in various locations in Inyo County. As Supervisor Kingsley noted, these pop-up businesses are not considered illegal if they move to a different location every 10 days. Supervisor Kingsley posed his concern about these business locating on county right-of-ways, and is planning to put forth an ordinance that would prohibit these pop-up businesses.

Supervisor Jim Steele, Lake County, thanked Yolo County for their assistance in transferring its energy credits and excess power to Lake County to assist with flood and fire disaster relief.

Supervisor Dan Miller, Nevada County, reported that following a \$13 million investment, Nevada County facilities are now 80 percent powered by solar. Supervisor Miller reported that Nevada County is expected to save over \$1 million per year on energy costs. The solar project was financed through the Property Assessed Clean Energy program.

Supervisor Gerry Hemmingsen, Del Norte County, reported on the issue Del Norte County has been experiencing in regards to the closure of the Last Chance Grade on Highway 1. After an additional stop light was installed, there are now six stop lights in a six-mile stretch the highway.

Supervisor Hemmingsen also voiced his concern in regards to the potential diversion of jet fuel tax revenues from rural commercial airports, and noted that the funding may be placed into the State General Fund instead of rural commercial airports.

Public Comments

None

President's Report

Greg Norton, RCRC President & CEO, announced the opening of registration for the 2017 Annual Meeting. The Annual Meeting will be held at The Lake Tahoe Resort and take place September 27-29, 2017. Mr. Norton encouraged all the Supervisors to participate in preparing county baskets for the basket raffle auction. Each year, the

RCRC Chair selects a local charity or charities, to receive the proceeds from the basket raffle auction.

Mr. Norton announced that RCRC will again be sponsoring the San Joaquin Valley Regional Association of California Counties Conference taking place November 1-3, 2017. Paul A. Smith, RCRC Vice President Government Affairs, and Justin Caporusso, RCRC Vice President External Affairs will be in attendance.

Mr. Norton referenced the upcoming National Association of Counties' Annual Conference (NACo) taking place July 21-24, 2017 in Franklin County, Ohio.

Mr. Norton also referenced the Counties Cannabis Summit scheduled for July 19, 2017 in Sacramento. Hosted by RCRC, CSAC, and UCC, the Counties Cannabis Summit will address critical policy areas such as licensing and land use, cultivation and environmental considerations, working with the industry, taxing, banking, and financial impacts. The Counties Cannabis Summit is at capacity; however, Mr. Norton encouraged interested participants to join the waitlist.

Mr. Norton provided an update on the External Affairs Department's efforts on increasing RCRC's social media presence – *The Barbed Wire* has more than 3,400 subscribers, Twitter has more than 2,100 followers, and RCRC's press releases have more than 2,600 subscribers.

Mr. Norton provided an update on the Governmental Affairs Department's recent advocacy accomplishments, which include: securing Certified Unified Program Agencies funding in the 2017-18 State Budget; defeating the RCRC-opposed Assembly Bill 975 (Friedman) regarding wild and scenic rivers (moved to the inactive file); effectively advocating for amendments to Senate Bill 252 (Dodd) regarding well permits; and, successfully persuading that the RCRC-proposed disadvantaged communities definition be used in Senate Bill 623 (Monning) regarding the Safe & Affordable Drinking Water Fund.

Mr. Norton reported recent county visits to Butte, Calaveras, Lake, Napa, and Tuolumne Counties. An upcoming visit is scheduled for Sutter County. In late-May, RCRC staff and officers attended the NACo Western Interstate Region Conference in Deschutes County, Oregon.

Mr. Norton reported recent activities on the economic development front, and provided highlights on the Regional Trade Services Workshop held on June 7, 2017 in Tuolumne County. Mr. Norton also provided highlights on the Select USA Foreign Investment Development Conference, which he attended as part of the California delegation.

Mr. Norton encouraged RCRC Supervisors to revisit the water infrastructure project survey. Mr. Norton reported that projects in Napa, Tuolumne, and Mariposa Counties are in the pipeline for potential funding.

RCRC 2016 Audited Financial Statements – ACTION

Lisa McCargar, RCRC Chief Financial Officer, informed the RCRC Board of Directors that Moss Adams LLP, independent auditors, concluded its audit in April. Moss Adams LLP issued financial statements and a communication letter which contained a clean audit opinion. Ms. McCargar reported that the financial statements and the communication letter have been reviewed and approved by the RCRC Executive Committee at their May 10, 2017 meeting.

Staff Recommendation

Staff recommended that the RCRC Board of Directors review and approve the 2016 audited financial statements and communication letter.

Supervisor Dan Miller, Nevada County, motioned to approve the RCRC 2016 Audited Financial Statements and Communication Letter. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes unanimously.

RCRC Revised Pay Rate Schedule - ACTION

Greg Norton informed the RCRC Board of Directors that RCRC is required to approve a pay rate schedule annually for all positions that participate in the California Public Employees' Retirement System. An RCRC revised pay rate schedule was presented to the RCRC Board of Directors for review due to recent personnel changes, reorganization, employee promotions, newly-created positions, and other position changes. Mr. Norton reported that the revised pay rate schedule had been reviewed and approved by the Executive Committee at their May 10, 2017 meeting.

Staff Recommendation

Staff recommended that the RCRC Board of Directors approve the revised pay rate schedule.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the RCRC Revised Pay Rate Schedule. Supervisor David Griffith, Alpine County, seconded the motion. Motion passes unanimously.

RCRC 2017 Local Area Investment Fund (LAIF) Authorization - ACTION

Lisa McCargar informed the RCRC Board of Directors that RCRC maintains investments in the Local Area Investment Fund (LAIF) with the California State Treasurer's Office. As a result of the Executive Vice President retiring, Ms. McCargar noted that a change must occur for staff to perform transactions on behalf of RCRC. Ms. McCargar requested that the Executive Vice President position be removed, and that the Chief Financial Officer and Vice President be given LAIF authorization.

Staff Recommendation

Staff recommended that the RCRC Board of Directors approve the removal of the Executive Vice President's authority and add the Chief Financial Officer and Vice President as authorized individuals to deposit or withdraw funds in LAIF.

Supervisor David Rogers, Madera County, motioned to approve the RCRC 2017 LAIF Authorization. Supervisor Les Baugh, Shasta County, seconded the motion. Motion passes unanimously.

2017 RCRC Bylaw Revision - ACTION

Greg Norton reported that the RCRC Bylaws were last revised in June 2012, and stated that revisions and clarifications are needed. Mr. Norton noted the most significant amendments include changing the quorum for transaction of business from 12 Member Counties to 50 percent plus one of the total current Member Counties, and revising the current organization and corporate officer structure to reflect recent organizational changes. Mr. Norton reported that the revised bylaw revisions have been reviewed and approved by the RCRC Executive Committee at their May 10, 2017 meeting.

Staff Recommendation

Staff recommended that the RCRC Board of Directors review and approve the bylaws revisions.

Supervisor David Griffith, Alpine County, motioned to approve the 2017 RCRC Bylaw Revision. Supervisor Larry Munger, Sutter County, seconded the motion. Motion passes unanimously.

Speaker

Mr. Jeffrey Kightlinger, General Manager of the Metropolitan Water District of Southern California (MWDSC) presented to the RCRC Board of Directors his perspective on water and the challenges MWDSC currently faces, and engaged in a question and answer period. Mr. Kightlinger provided printed materials on MWDSC, Delta Islands, and the California Water Fix.

2017-2018 State Budget Update

Paul A. Smith, RCRC Vice President Governmental Affairs, provided an update on the 2017-18 State Budget Package. Mr. Smith stated that the final State Budget Packet remains incomplete as the Legislature waits to act on several more budget trailer bills.

Mr. Smith noted that in the 2017-18 State Budget Package there is an additional \$1.1 million one-time appropriation to expand the rural Certified Unified Program Agencies (CUPAs) assistance for low-population counties. Mr. Smith noted that RCRC has long-advocated for the expansion of CUPA to counties that do not receive the funding. Mr. Smith thanked Mary Pitto, RCRC Regulatory Affairs Advocate, for her perseverance over the years on securing this funding on behalf of rural counties.

Mr. Smith reported that for a third year, the State's Payment in Lieu of Taxes program will be funded at \$644,000 statewide. The arrearages owed to eligible counties was not addressed in the 2017-18 State Budget Package.

Mr. Smith also reported on the \$97.6 million in funding for activities associated with the regulation of both adult-use and medical-use cannabis. The funding would help

harmonize the difference between the adult-use and medical-use regulatory scheme dealing with cannabis activities.

Tracy Rhine, RCRC Legislative Advocate, provided a review on the In-Home Support Services (IHSS) Maintenance of Effort (MOE). Ms. Rhine reminded the RCRC Board of Directors that the Governor took action to repeal the IHSS MOE in the 2017-18 proposed Budget released in January. However, the 2017-18 State Budget Package passed by the Legislature in June reestablishes the IHSS MOE and represents an improved agreement negotiated by the Administration and the California State Association of Counties. Ms. Rhine provided a brief overview of the new IHSS MOE provisions of importance to Member Counties, including: general fund offsets; annual cost inflator; IHSS wage/benefit increase; caseload cost calculations; institutions of mental disease; and, the Board of Equalization accounting error forgiveness. Upon request of a number of Member Counties, Ms. Rhine will prepare an extensive explanation of the impacts of the revisions to the IHSS MOE program, in particular, the anticipated county costs.

Staci Heaton, RCRC Regulatory Affairs Advocate, reported on legacy drought response and tree mortality. Of importance, Ms. Heaton noted that the 2017-18 State Budget Package includes approximately \$43 million to the California Department of Forestry and Fire Protection for permanent, year-round fire prevention response. Ms. Heaton also noted that the 2017-18 State Budget Package include \$8.5 million for the California Disaster Assistance Act (CDAA) fund; however, with only \$2 million for tree mortality mitigation. All other funds have been reserved for water-related projects. Ms. Heaton stated that \$6 million in CDAA funds for tree mortality projects is likely to appear in Assembly Bill 122/Senate Bill 108, also known as Budget Jr.

Ms. Heaton discussed that Cap-and-Trade allocations from the Greenhouse Gas Reduction Fund (GGRF) were not addressed in the 2017-18 State Budget Package. Ms. Heaton noted that there are several groups working on proposals. Ms. Heaton reminded the RCRC Board of Directors that the Governor had expressed that there would be no allocation of GGRF funds if the Cap-and-Trade program is not extended beyond 2020 by a two-thirds vote of approval from the Legislature.

California Tree Mortality Task Force

Staci Heaton 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) will be conducting a new set of aerial surveys in July 2017. USFS representatives expect an increase in tree mortality numbers once surveys are completed. In addition, the Task Force is currently conducting a “pulse check” with its subgroups to ensure that progress continues on participation and effectiveness. Ms. Heaton also reported that the Task Force has officially formed an Insurance Subgroup to address homeowners’ insurance cancellations and non-renewals, of which RCRC and several county representatives are participating. Lastly, Ms. Heaton noted that the Little Hoover Commission has scheduled a hearing which will take place on September 29, 2017 to discuss tree mortality.

State Legislative Update

Paul A. Smith reported on the following legislation:

- Assembly Bill 1250 (Jones-Sawyer), relating to county contracts for a large number of services. In concert with other local government partners, Mr. Smith reported that AB 1250 is a poorly-crafted bill that would prohibit counties from contracting out for services. Mr. Smith encouraged RCRC Member Counties to adopt an “Oppose” position in their respective counties. AB 1250 currently awaits action in the Senate Governance and Finance Committee.
- Assembly Bill 653 (Ridley-Thomas), which would exempt from taxation property owned in fee by a federally-recognized Native American tribe that is pursuing a federal trust application. Mr. Smith reported that the RCRC-opposed bill has constitutional problems, and stated that a number Member County Counsels are aware of the implications. AB 653 awaits action in the Senate Governance and Finance Committee.
- Senate Bill 447 (Nielsen), which would authorize two or more counties to create assessment appeals boards to hear taxpayer appeals. Mr. Smith thanked Alpine County Supervisor Ron Hames for providing testimony before the Assembly Revenue & Taxation Committee in support. The RCRC-sponsored bill passed out of the Assembly Revenue & Taxation Committee and now awaits consideration in the Assembly.

Staci Heaton reported on the following legislation:

- Assembly Bill 1066 (Aguiar-Curry), which would revise the definition of the term “demolition” as it relates to public works to include tree removal for the purposes of payment of prevailing wages. Ms. Heaton noted that the Governor’s Tree Mortality Task Force counties have worked on AB 1066, and conversations have been initiated that would narrow down the definition to define demolition as tree removal adjacent to construction or demolition projects. Once it is amended, AB 1066 would no longer be of concern to RCRC.

Tracy Rhine reported on the following legislation relating to Williamson Act:

- Senate Bill 435 (Dodd), relating to payments to local governments. SB 435 authorizes local governments to enter into contracts with owners of land dedicated to agricultural use. The bill was held in the Senate Appropriations Committee.
- Assembly Bill 925 (Frazier), which would authorize local governments to enter into contracts with owners of land dedicated to agricultural use, and authorizes landowners to petition a Board of Supervisor to withdraw contracts. The land subject to a contract would then enter into a new contract designating the property as a farmland security and conservation zone. The bill is currently in the Assembly Local Government Committee and will be revisited in the 2018 Legislative Session.
- Assembly Bill 1564 (Arambula), which would make conforming and non-substantive changes to the Williamson Act. AB 1564 would require the Board of Supervisors or city council to adopt rules governing the procedures for partial cancellations and partial nonrenewal of contracts. The bill is moving through the

Legislature, and now awaits action in the Senate Governance and Finance Committee.

Assembly Bill 668 (Gonzalez Fletcher) – Voting Modernization Bond Act - ACTION

Paul A. Smith presented on Assembly Bill 668 (Gonzalez Fletcher), which would enact the Voting Modernization Bond Act to assist counties in the purchase/lease of voting equipment. Upon approval by the Legislature, and subsequently, California voters in June 2018, AB 668 would authorize the issuance of a State general obligation bond in the amount of \$450 million. Mr. Smith explained that counties across the State continue to rely on outdated voting equipment, and the cost to replace these systems makes it difficult to undertake. AB 668 will benefit a number of Member Counties in obtaining reimbursement from the \$450 million bond.

Mr. Smith noted that AB 668 currently has a “grandparent” date of January 1, 2017, which would preclude several Member Counties that were early adopters. Mr. Smith explained that if the RCRC Board of Directors adopts a “Support” position for AB 668, staff would seek amendments to move the “grandparent” date to April 29, 2005, which is when the Secretary of State certified the Dominion System. By moving the grandparent date, this would allow each of the RCRC Member Counties to be reimbursed a substantial amount for making an early financial decision to update their respective voting systems.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position for AB 668.

Supervisor Dan Miller, Nevada County, motioned to adopt a “Support” position on AB 668. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes unanimously.

Abstaining: Supervisor Randy Fletcher, Yuba County

Senate Bill 649 (Hueso) – “Small Cell” Wireless Infrastructure Permitting

Tracy Rhine presented on Senate Bill 649 (Hueso), which would require counties to lease public property for placement of wireless “small cell” structures for a fee set by the Legislature. Ms. Rhine noted that SB 649 was recently amended to change the formula of how much a county can charge for a lease; however, the amended version still does not address county concerns. Ms. Rhine voiced her apprehensions, which include: the size of these not-so-small structures; elimination of full discretionary review from local governments; mandatory leasing of property unless the Board of Supervisors adopt a resolution showing evidence that the county needs to utilize the public property; and, elimination of local authority. Ms. Rhine encouraged Member Counties to bring the issue forward in their respective counties and take an “Oppose” position on SB 649 if they have not already done so. Ms. Rhine also encouraged Member Counties to contact their respective legislators and submit letter of oppositions. A hearing on SB 649 is scheduled for June 28, 2017 in the Assembly Local Government Committee.

H.R. 975 (Rohrabacher) – “Respect State Marijuana Laws Act of 2017” – ACTION

Paul A. Smith presented on H.R. 975 (Rohrabacher), the Respect State Marijuana Laws Act of 2017, which addresses the application of the Controlled Substances Act in states that have legalized cannabis use. Mr. Smith shared with the RCRC Board of Directors that Representative Rohrabacher and key staff requested for RCRC consideration.

Mr. Smith noted H.R. 975 is being presented to the RCRC Board of Directors on the juxtaposition of Proposition 64 (of which 19 Member Counties approved) and the election of the new President of the United States. Mr. Smith made the RCRC Board of Directors aware that even though the federal government has liberalized its policy with respect to cannabis in recent years, cannabis remains illegal under federal law. Mr. Smith noted that if H.R. 975 is enacted, the federal Controlled Substances Act would be amended to permit cannabis activities in states that have already enacted statutes pertaining to cannabis activities.

The RCRC Board of Directors discussed at length the pros and cons as it relates to their particular counties.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position on H.R. 975.

Supervisor Carre Brown, Mendocino County, motioned to adopt a “Support” position on H.R. 975. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passes by the following roll call vote taken:

Aye: Supervisor David Griffith, Alpine County; Supervisor Brian Oneto, Amador County; Supervisor Doug Teeter, Butte County; Supervisor Jack Garamendi, Calaveras County; Supervisor Michael Ranalli, El Dorado County; Supervisor Rex Bohn, Humboldt County; Supervisor Matt Kingsley, Inyo County; Supervisor Jim Steele, Lake County; Supervisor Carre Brown, Mendocino County; Supervisor Stacy Corless, Mono County; Supervisor Diane Dillon, Napa County; Supervisor Anthony Botelho, San Benito County; Supervisor Lee Adams, Sierra County; Supervisor John Fenley, Trinity County.

No: Supervisor Kim Dolbow Vann, Colusa County; Supervisor John Viegas, Glenn County; Supervisor Michael Kelley, Imperial County; Supervisor David Rogers, Madera County; Supervisor Geri Byrne, Modoc County; Supervisor Dan Miller, Nevada County; Supervisor Les Baugh, Shasta County; Supervisor Michael Kobseff, Siskiyou County, Supervisor Larry Munger, Sutter County; Supervisor Bob Williams, Tehama County; Supervisor Kuyler Crocker, Tulare County

Abstain: Supervisor Gerry Hemmingsen, Del Norte County; Supervisor Kevin Cann, Mariposa County; Supervisor Daron McDaniel, Merced County

Absent: Supervisor Lynn Compton, San Luis Obispo County; Supervisor Randy Hanvelt, Tuolumne County; Supervisor Randy Fletcher, Yuba County

H.R. 2215 (Perlmutter) – “Secure and Fair Enforcement Banking Act of 2017” – ACTION

Paul A. Smith presented on H.R. 2215 (Perlmutter), the Secure and Fair Enforcement Banking Act of 2017, which would liberalize federal banking laws to allow cannabis businesses access to banking services. Mr. Smith shared with the RCRC Board of Directors that Representative Perlmutter and key staff requested for RCRC consideration.

Mr. Smith explained that access to banking remains one of the most significant hurdles facing the cannabis industry and state and local regulatory authorities. Currently, there is a significant barrier for financial institutions to provide banking services to licensed cannabis businesses, and businesses must operate in an all-cash scheme. This all-cash scheme, as Mr. Smith further explained, presents enormous security and public safety challenges to all parties involved in the cannabis industry.

H.R. 2215 is an important legislation that would provide a safe harbor for legitimate cannabis businesses to access banking services. Mr. Smith called attention to the State of California Treasurer John Chiang’s letter to the California Congressional Delegation in support of H.R. 2215.

The RCRC Board of Directors discussed the pros and cons as it relates to their particular counties.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position on H.R. 2215.

Supervisor Dan Miller, Nevada County, motioned to adopt a “Support” position on H.R. 2215. Supervisor Anthony Botelho, San Benito County, seconded the motion. Motion passes with Supervisor Kuyler Crocker, Tulare County voting “No”.

Absent: Supervisor Lynn Compton, San Luis Obispo County; Supervisor Randy Fletcher, Yuba County

Waters of the U.S.

Staci Heaton presented on the status of the Trump Administration’s order for an official review of the controversial 2015 rule which altered the definition of what constitutes a “water of the United States” (WOTUS). The U.S. Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (Corps) was tasked with revisiting and rewriting the rule, and are currently accepting comments from state and local governments. Ms. Heaton noted that RCRC worked with representatives from western

state associations to develop a proposal, and called attention to RCRC's letter to the EPA and the Corps on redefining WOTUS. The EPA and the Corps will continue the consultation process throughout the development of the redrafted rule. Ms. Heaton stated that staff will continue to update the RCRC Board of Directors on the progress of the redrafted rule, and encouraged interested Member Counties to participate in the rulemaking process.

Adjournment

Chair, Supervisor Bob Williams, adjourned the RCRC Board of Directors Meeting at 1:24 p.m.