

**Rural County Representatives of California  
Board of Directors Meeting  
Wednesday, June 20, 2018 – 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 Rex Bohn, Humboldt County, called the meeting to order at 9:00 a.m.  
A quorum was determined at that time. Those present:

<b><u>Supervisor</u></b>	<b><u>County</u></b>
David Griffith	Alpine
Brian Oneto	Amador
Doug Teeter	Butte
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Michael Ranalli	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
John Renison	Imperial
Matt Kingsley	Inyo
Jim Steele	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Diane Dillon	Napa
Jim Holmes	Placer
Kevin Goss	Plumas
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
Randy Fletcher	Yuba

### **Absent**

Carre Brown	Mendocino
John Peschong	San Luis Obispo
Dan Miller	Nevada
Matt Rexroad	Yolo

### **Others in Attendance**

Supervisor Bobbi Chadwick, Trinity County  
Ed Horton, Placer County Water Agency  
Connie Stewart, California Center for Rural Policy

### **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  
Barbara Hayes, Chief Economic Development Officer  
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  
Maggie Chui, Governmental Affairs Coordinator  
Santinia Pasquini, External Affairs Coordinator  
Elizabeth Jensen, Accountant  
Sanjay Lee, Accountant

### **Pledge of Allegiance**

### **Review and Approval of April 26, 2018 Board of Directors Meeting Minutes**

Chair, Supervisor Rex Bohn, Humboldt County, called for approval of the minutes from the April 26, 2018 RCRC Board of Directors Meeting.

**Supervisor Geri Byrne, Modoc County, motioned to approve the minutes from the April 26, 2018 RCRC Board of Directors Meeting. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes.**

**Abstaining: Supervisor Brian Oneto, Amador County; Supervisor Michael Ranalli, El Dorado County; Supervisor John Renison, Imperial County; Supervisor David Rogers, Madera County; Supervisor Diane Dillon, Napa County; Supervisor Jim Holmes, Placer County; Supervisor Michael Kobseff, Siskiyou County; Supervisor John Fenley, Trinity County**

### **RCRC Chair's Remarks**

Chair, Supervisor Rex Bohn, Humboldt County, welcomed all of the Supervisors to the RCRC Board of Directors Meeting.

### **Member County Concerns and Issues**

Supervisor Michael Kobseff, Siskiyou County, voiced his concern regarding water shortage issues as it relates to the Klamath Project. Supervisor Kobseff shared that the Klamath Tribes have filed a lawsuit in federal court against the Klamath Project, with court proceedings beginning in mid-July. If the lawsuit is successful, it would have devastating effects on agricultural-based counties in California and Oregon.

Supervisor Geri Byrne, Modoc County, echoed Supervisor Kobseff's concern regarding the Klamath Project.

Supervisor Jim Steele, Lake County, spoke about disaster response, noting that homeowners are struggling to find homeowners insurance in high-risk fire zones. Supervisor Steele distributed a handout to Supervisors regarding homeowners insurance assistance resources.

Supervisor Randy Fletcher, Yuba County, expressed his opposition to Senate Bill 901 (Dodd), which addresses the circumstances when electrical corporations shut-off power in areas that have high wind and fire potential.

### **Public Comments**

None

### **President's Report**

Greg Norton, RCRC President & CEO, introduced Barbara Hayes, RCRC Chief Economic Development Officer, to the Supervisors. Ms. Hayes will lead RCRC's economic development efforts.

Mr. Norton provided an update on the RCRC Governmental Affairs Department's recent advocacy accomplishments, which include: the release of the Federal Secure Rural Schools and Self-Determination payments, RCRC staff's recent visit to Washington, D.C. to engage on the 2018 Farm Bill, appropriations in the State Budget to address wildfire, and the formation of the Forest Health Working Group.

Mr. Norton provided an update on recent county visits by RCRC Board Members and RCRC staff. Counties visited in recent weeks include Butte, Calaveras, Glenn, Humboldt, Tuolumne, Sierra, and Yolo.

Mr. Norton provided an update on various economic development projects, including RCRC's participation at this year's SelectUSA Foreign Direct Investment Conference, California Forward meetings, and biomass project efforts. Mr. Norton also provided a brief update on recent activities regarding RCRC affiliates National Homebuyers Fund, Inc. and Golden State Finance Authority.

Lastly, Mr. Norton invited the Supervisors to register for RCRC's 2018 Annual Meeting, which is being held September 19-21 in Napa County.

### **RCRC 2017 Audited Financial Statements**

Lisa McCargar, RCRC Chief Financial Officer, informed the Supervisors that Moss Adams LLP, independent auditors, concluded its audit. Moss Adams LLP issued financial statements and a communication letter which contained an unmodified 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 9, 2018 meeting.

### **Staff Recommendation**

Staff recommended that the RCRC Board of Directors review and approve the 2017 audited financial statements and communication letter.

**Supervisor Michael Kobseff, Siskiyou County, motioned to approve the RCRC 2017 Audited Financial Statements and Communication Letter. Supervisor David Rogers, Madera County, seconded the motion. Motion passes with all Supervisors present voting "Aye."**

### **Rural County Photo Contest**

Santinia Pasquini, RCRC External Affairs Coordinator, outlined the guidelines and submission requirements for RCRC's 2<sup>nd</sup> Annual Rural County Photo Contest. The Rural County Photo Contest was created to promote tourism and local economic development through showcasing the beautiful landscape, scenery, activities, history, and charm of RCRC's Member Counties. The winning image will be displayed at RCRC's Annual Meeting in September, and may be used in various work product throughout 2019. Beginning July 1, 2018, RCRC will be accepting photo submissions. Photos must be submitted by August 31, 2018 for them to be considered.

### **1 Laptop Program Distribution Update**

Justin Caporusso, RCRC Vice President External Affairs, provided an update on iFoster's 1 Laptop Program for Foster Youth (Program). In 2017, the RCRC Board of the Directors approved a \$200,000 contribution to the Program. RCRC affiliate, National Homebuyers Fund, Inc., partnered with RCRC and contributed an additional \$200,000 to the Program. Laptops are currently being distributed to eligible foster youth and former foster youth ages 16-21 in RCRC Member Counties. Thus far, laptops have been distributed to eligible foster youths in Butte, Calaveras, Glenn, Mendocino and Yolo Counties. Mr. Caporusso provided future distribution plans of the nearly 1,200 laptops as distribution will continue to take place through October 2018.

### **CalPERS Hardship Policy**

Lisa McCargar provided an overview on recent developments regarding the California Public Employment Retirement System's (CalPERS) Hardship Policy. Ms. McCargar recognized that many employers, including RCRC Member Counties, have expressed concerns over escalating annual contributions and the inability to meet payment obligations. RCRC staff has been involved in discussions regarding CalPERS' Hardship Policy, and has submitted a letter to CalPERS recapping RCRC's thoughts on thresholds and other criteria that could be adopted by CalPERS to determine if a member agency needs contribution relief.

Ms. McCargar and Paul A. Smith, RCRC Vice President Governmental Affairs, noted that staff will continue to monitor and participate in discussions related to employer relations and pensions, and will provide updates at future RCRC Board of Directors meetings.

### **Upcoming November 2018 Ballot Measures**

Paul A. Smith provided a brief summary on a number of proposed state ballot measures expected to appear on the November 2018 General Election ballot that could impact RCRC Member Counties. Mr. Smith briefly explained the timeline in which the RCRC Board of Directors will consider most of these proposals.

RCRC staff will continue to monitor the status of proposed measures as additional relevant ballot measures could be placed on upcoming agendas at future RCRC Board of Directors' meetings.

Lastly, Mr. Smith encouraged all the Supervisors to subscribe to RCRC's podcast, *The Rural Rundown*, to hear Justin Caporusso and himself discuss California's midterm primary election. *The Rural Rundown* can be accessed via iTunes, your podcast app, RCRC's homepage, or wherever you get your podcasts.

### **Senate Bill 3 (Beall) – Veterans and Affordable Housing Bond Act of 2018**

Tracy Rhine, RCRC Legislative Advocate, provided an analysis of Senate Bill 3 (Beall), which authorizes the issuance of \$4 billion in General Obligation bonds for affordable housing. SB 3 will appear on the November 2018 General Election ballot for voter consideration.

Ms. Rhine noted that while most funding will go towards urban areas for development, SB 3 allocates funding to eight housing programs that will provide much needed funding opportunities for RCRC Member Counties as well as the continued availability of CalVet loans for military veterans.

Ms. Rhine reminded the Supervisors that RCRC did not offer a formal "Support" on SB 3 during the legislative process; however, RCRC believes SB 3 complements ongoing efforts of increasing affordable housing production in California while not imposing further regulatory requirements on local governments.

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 3.

**Supervisor Bob Williams, Tehama County, motioned to adopt a “No Position” position on Senate Bill 3 (Beall) – Veterans and Affordable Housing Bond Act of 2018. Supervisor Michael Kobseff, Siskiyou 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 Denise Carter, Colusa County; Supervisor Gerry Hemmingsen, Del Norte County; Supervisor Michael Ranalli, El Dorado County; Supervisor Jim Steele, Lake County; Supervisor Aaron Albaugh, Lassen County; Supervisor David Rogers, Madera County; Supervisor Kevin Cann, Mariposa County; Supervisor Daron McDaniel, Merced County; Supervisor Geri Byrne, Modoc County; Supervisor Les Baugh, Shasta County; Supervisor Michael Kobseff, Siskiyou County; Supervisor Larry Munger, Sutter County; Supervisor Bob Williams, Tehama County; Supervisor John Fenley, Trinity County; Supervisor Kuyler Crocker, Tulare County; Supervisor Randy Hanvelt, Tuolumne County**

**No: Supervisor Doug Teeter, Butte County; Supervisor Jack Garamendi, Calaveras County; Supervisor John Viegas, Glenn County; Supervisor Rex Bohn, Humboldt County; Supervisor John Renison, Imperial County; Supervisor Matt Kingsley, Inyo County; Supervisor Stacy Corless, Mono County; Supervisor Diane Dillon, Napa County; Supervisor Jim Holmes, Placer County; Supervisor Kevin Goss, Plumas County; Supervisor Anthony Botelho, San Benito County; Supervisor Lee Adams, Sierra County; Supervisor Randy Fletcher, Yuba County**

### **Tax Fairness, Transparency and Accountability Act of 2018**

Paul A. Smith provided an analysis of the “Tax Fairness, Transparency and Accountability Act of 2018,” which would restrict the ability of state and local governments to generate new revenues through taxes and fees. This proposal will appear on the November 2018 General Election ballot for voter consideration.

Mr. Smith expressed that this proposal would make it more difficult for Boards of Supervisors to exercise their revenue-raising authority. RCRC staff is also troubled by the proposal’s retroactivity to January 1, 2018, which could impact a number of local measures that received voter approval in the June Primary Election and/or will receive voter approval in the November General Election.

### **Staff Recommendation**

RCRC staff recommended the RCRC Board of Directors adopt an “Oppose” position on the Tax Fairness, Transparency and Accountability Act of 2018.

**Supervisor Bob Williams, Tehama County, motioned to adopt an “Oppose” position on Tax Fairness, Transparency and Accountability Act of 2018. Supervisor Michael Ranalli, El Dorado County, seconded the motion. Motion passes with Supervisor Kuyler Crocker, Tulare County voting “No.”**

### **People’s Initiative to Protect Proposition 13 Savings Act**

Paul A. Smith provided an analysis of the “People’s Initiative to Protect Proposition 13 Savings Act,” which would revise the ability to transfer a residential property tax base. This proposal will appear on the November 2018 General Election ballot for voter consideration.

Most notably, the proposal allows any person who is at least 55 years of age and/or severely disabled persons to transfer “base year value” of their home an unlimited number of times. Mr. Smith expressed that this proposal would eliminate a Board of Supervisors’ discretion to accept base year transfers from any county, and would result in significant losses of property tax revenue.

In years past, RCRC has opposed similar legislative efforts that would encroach on a Board of Supervisors’ ability to accept transfer property tax base. Mr. Smith stressed that counties rely on property tax for their primary source of funding for county services.

### **Staff Recommendation**

RCRC staff recommended the RCRC Board of Directors adopt an “Oppose” position on the People’s Initiative to Protect Proposition 13 Savings Act.

**Supervisor Matt Kingsley, Inyo County, motioned to adopt an “Oppose” position on the People’s Initiative to Protect Proposition 13 Savings Act. Supervisor Denise Carter, Colusa County, seconded the motion. Motion passes with all Supervisors present voting “Aye.”**

### **California Tree Mortality Task Force**

Staci Heaton, RCRC Regulatory Affairs Advocate, provided an update on the California Tree Mortality Task Force (Task Force). Since late 2015, the Task Force has addressed the issue of tree die-off due to invasive pests in the state.

In response to Governor Brown and his desire to create a new forest health working group during his January State-of-the-State address, the California Forest Management Task Force (FMTF) was formed to address the overarching need for better management of California’s forests and forested watersheds. The June Task Force meeting served as the inaugural meeting for FMTF, in which RCRC has been asked to represent rural county government. Soon, FMTF will be forming working groups to address in detail forest management issues such as wood products utilization,

regulatory barriers, education and outreach to landowners, forest restoration and prescribed fire, and tree mortality.

Ms. Heaton also shared that Governor Brown has appointed Terrance O'Brien as the Senior Advisor for forests under his Administration. Lastly, Ms. Heaton stressed the importance of rural county's involvement on FMTF as we transition to the next gubernatorial administration in 2019.

### **Wildfire Liability: Investor Owned Utilities**

Staci Heaton provided an overview of current efforts underway to effect legislative and regulatory changes to the liability for investor-owned utilities (IOUs) that are deemed negligent and in violation of state law in causing a high severity wildfire event. Ms. Heaton is working to ensure that counties and residents retain legal recourse in the wake of wildfires legally found liable by IOUs.

Ms. Heaton shared that the California Department of Forestry and Fire Protection (CAL FIRE) is investigating the cause of more than 170 fires. Currently, PG&E is found negligent in 11 of the 16 fires related to last year's firestorms. As such, IOUs have since been subject to numerous lawsuits.

Ms. Heaton directed the Supervisors to review the various letters contained in the RCRC Board Packet to review current advocacy efforts. Ms. Heaton requested the Supervisors to stay tuned on new developments.

### **2018-19 State Budget Update**

Paul A. Smith provided an update on the 2018-19 State Budget Package. Mr. Smith stated that the final State Budget Package remains incomplete as the Legislature is poised to act on several more budget trailer bills.

RCRC staff provided key issues/changes for RCRC Member Counties as contained in the 2018-19 State Budget Package:

Mr. Smith drew attention on appropriation of more than \$134 million to counties to upgrade voting systems, and an additional \$133.3 million for cannabis-related activities.

Staci Heaton drew attention on the additional \$96 million for wildfire prevention and forest health activities. Ms. Heaton noted that the Cap-and-Trade Expenditure Plan has been deferred to remaining budget trailer bills that are awaiting action.

Mary-Ann Warmerdam, RCRC Senior Legislative Advocate, drew attention to the appropriation of \$644,000 for the State's Payment in Lieu of Taxes Program, and an additional \$295 million to meet flood control infrastructure needs, including deferred maintenance. Ms. Warmerdam noted that Governor Brown's Safe and Affordable Drinking Water proposal to establish a new special fund to assist disadvantaged communities in paying for the short-term and longer-term costs of obtaining access to safe and affordable drinking water was rejected. Instead, the State Budget Package



includes placeholder trailer bill language to allow discussions to continue through the remainder of the 2018 Legislative Session.

Tracy Rhine drew attention to the additional \$24 million for In-Home Supportive Services county administration, and inclusion of a one-time investment of more than \$700 million in mental health and homelessness. Ms. Rhine noted that the No Place Like Home (NPLH) has been deferred to remaining budget trailer bills that are awaiting action. If passed, the NPLH proposal will appear on the November General Election ballot for voter consideration.

### **State Legislative Update**

Paul A. Smith reported on the following legislation:

- Assembly Bill 924 (Bonta), authorizes the Governor to enter into agreements with federally-recognized sovereign Indian tribes to establish an alternative framework for allowing cannabis operators on tribal land in California's regulated cannabis market. Initially, RCRC opposed this bill; however, RCRC staff has reached a compromise with the California Native American Cannabis Association (AB 924 sponsor). AB 924 is set to be heard next in the Senate Business, Professions & Economic Development Committee. Mr. Smith thanked Supervisor Matt Kingsley, Inyo County, for his ongoing efforts on this issue. Lastly, Mr. Smith shared that the RCRC Executive Committee will consider adopting a "Support" position at their July 11, 2018 meeting.
- Assembly Bill 1912 (Rodriguez), the Service Employees International Union-sponsored bill, deals with public employees' retirement joint powers agreements (JPAs). RCRC is in opposition of this bill as it makes both current and former parties to an existing JPA retroactively liable for the retirement system debts of the JPA. AB 1912 is set to be heard next in the Senate Public Employment & Retirement Committee.
- Senate Bill 1302 (Lara), deals with the delivery of cannabis in local jurisdictions. In partnership with stakeholders in opposition of the bill, SB 1302 has been defeated thus far.

Staci Heaton reported on the following legislation:

- Senate Bill 1079 (Monning), allows for an advance payment of up to 25 percent of local assistance grants from CAL FIRE to specific entities for fire prevention activities. RCRC now has a "Support" position on SB 1079 after it was amended to include local governments in the entities eligible for advance payment. SB 1079 passed out of the Assembly Natural Resources Committee, and now awaits consideration from the Assembly Appropriations Committee. Ms. Heaton encouraged RCRC Members Counties to submit letters of support.

Mary-Ann Warmerdam

- Assembly Bill 2050 (Caballero), would create the Small System Water Authority Act of 2018 and creation of small system water authorities. AB 2050 is set to be heard next in the Senate Appropriations Committee.

- Assembly Bill 2649 (Arambula), deals with temporary permits for the purpose of groundwater recharge during high flow events. Currently, RCRC has a “Support if Amended” position on AB 2649; however, Ms. Warmerdam explained that RCRC staff will need to reevaluate the bill based on recent amendments.

### **Update on Farm Bill**

Mary-Ann Warmerdam provided an update on the status of the 2018 Farm Bill, which is the primary federal legislative priority for RCRC staff. RCRC’s focus as it relates to the 2018 Farm Bill includes rural development investments, largely contained in the Rural Development Title, broadband, water infrastructure, energy efficiency, and housing. The Forestry Title, including those provisions that relate to fire-borrowing and forest health, as well as the Conservation Title are also of interest to RCRC and part of the federal legislative portfolio.

To advance RCRC’s key issues, RCRC staff has met with key Congressional members and staff as the 2018 Farm Bill continues to develop. Ms. Warmerdam noted that while RCRC is advocating for standardizing the eligibility determination for all rural development programs at a population limit of 50,000, a population limit of 30,000 is more likely to pass.

Ms. Warmerdam also noted that the U.S. Senate version of the Farm Bill has bipartisan support. Meanwhile, in the House of Representatives, the discussion continues to encounter obstacles. The path forward for the 2018 Farm Bill continues to remain unclear.

### **Environmental Services Joint Powers Authority Update**

Mary Pitto provided an update on the Rural Counties’ Environmental Services Joint Powers Authority’s (ESJPA) recent activities.

Ms. Pitto provided an update on the California Department of Resources Recycling and Recovery’s (CalRecycle) Senate Bill 1383 proposed draft regulations. Previously, ESJPA staff prepared comments stating that the proposal is overreaching, unattainable, and cost-prohibitive. Recently, CalRecycle released a second informal draft. Most notably, the nineteen counties that qualified for a delay in implementation of Assembly Bill 1826 will be qualified for a waiver of SB 1383 implementation until 2025, or five years after implementation of AB 1826, whichever is later.

While the second informal draft addresses some of RCRC’s concerns, there are other issues that need to be addressed, such as procurement, infrastructure capacity planning, and staff resources requirements. The first formal draft is expected to be released in July 2018. Ms. Pitto called attention to the summary of SB 1383 regulations as outlined in the RCRC Board Packet.

Ms. Pitto also directed RCRC Board Members to the RCRC Board Packet which provides an update on various waste related topics, including proposed disposal reporting requirements, bottle bill, implementation of mandatory commercial organics

diversion, and local jurisdiction Assembly Bill 939 for review. RCRC staff will continue to follow development and engage in issues pertaining to solid waste, and provide updates at future RCRC Board of Directors meetings.

### **Water Issues Update**

Mary-Ann Warmerdam provided an update on several issues involving California water policy at the state and federal levels.

Ms. Warmerdam noted that California voters approved Proposition 68, the “Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.” Ms. Warmerdam also stated that the “California Water Infrastructure and Watershed Conservation Bond Initiative” will appear on the November General Election ballot.

Ms. Warmerdam provided an update on the Sustainable Groundwater Management Act, whereby the Department of Water Resources are identifying and prioritizing basins within the range of low to high priority.

Ms. Warmerdam also provided a brief update on the California WaterFix’s twin tunnels project, the California Water Commission’s Proposition 1 funds, and the State Water Resources Control Board’s water conservation efforts. Ms. Warmerdam requested the Supervisors to stay tuned on new developments.

### **Adjournment**

Chair, Supervisor Rex Bohn adjourned the RCRC Board of Directors Meeting at 1:07 p.m.