

**Rural County Representatives of California
Executive Committee Meeting
1215 K Street, Suite 1650 Board Room
Sacramento, CA 95814
(916) 447-4806**

July 12, 2017 – 9:00 a.m.

Executive Committee Members:

Supervisor Bob Williams, Tehama County
Supervisor Rex Bohn, Humboldt County
Supervisor Randy Hanvelt, Tuolumne County
Supervisor John Viegas, Glenn County

Supervisor Les Baugh, Shasta County
Supervisor Doug Teeter, Butte County
Supervisor Diane Dillon, Napa County
Supervisor Matt Kingsley, Inyo County
Supervisor David Rogers, Madera County

Minutes

Call to Order and Determination of Quorum

RCRC Chair, Supervisor Bob Williams, Tehama County, called the RCRC Executive Committee to order at 9:06 a.m. A quorum was determined at that time. Those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
John Viegas	Glenn
Rex Bohn	Humboldt
Matt Kingsley	Inyo
Diane Dillon	Napa
Les Baugh	Shasta
Bob Williams	Tehama
Randy Hanvelt	Tuolumne

Absent Members

Doug Teeter	Butte
David Rogers	Madera

Staff in Attendance

Greg Norton, President and CEO
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Paul A. Smith, Vice President Governmental Affairs
Justin Caporusso, Vice President External Affairs
Sarah Bolnik, Business Development
Maggie Chui, Governmental Affairs Coordinator

Others in Attendance

Curtis Vandermolen, California Transportation Commission
Supervisor Miles Menetrey, Mariposa County
Supervisor Kevin Cann, Mariposa County

Robin Rau, Ygrene Energy Fund
George Apostolopoulos, Ygrene Energy Fund
Robert Bendorf Jr., Renovate America / HERO

Approval of Off-Agenda Item

RCRC staff requested the RCRC Executive Committee consider an urgent off-agenda item relating to Cap-and-Trade legislation. As such, Supervisor Williams read: "Pursuant to Government Code Section 54954.2(b)(2), request to find that the need to take action relating to the proposed Cap-and-Trade legislative package released July 10, 2017 arose subsequent to the agenda being posted and the need to take such action is immediate, and further request approval to hear the item off agenda."

Supervisor Les Baugh, Shasta County, motioned to approve to hear the item off agenda regarding the proposed Cap-and-Trade legislative package. Supervisor John Viegas, Glenn County, seconded the motion. Motion passes unanimously.

Approval of Minutes of the May 10, 2017 Meeting

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

Supervisor Rex Bohn, Humboldt County, motioned to approve the minutes of the May 10, 2017 RCRC Executive Committee Meeting. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion passed.

Public Comment

None

Government Affairs Update

Paul A. Smith, Vice President Government Affairs reported on the following legislation:

- Assembly Bill 1250 (Jones-Sawyer), relating to county contracts for a large number of services. Mr. Smith noted that this poorly-crafted bill would negatively impact all counties by prohibiting counties from contracting out for services. Efforts to defeat AB 1250 has been largely led by the California State Association of Counties. Mr. Smith encouraged the RCRC Executive Committee to be prepared for an extensive lobbying effort as the bill is expected to reach the Governor for his consideration. AB 1250 is being heard in the Senate Governance and Finance Committee.
- Senate Bill 649 (Hueso), which RCRC strongly opposes, 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. Smith encouraged the RCRC Executive Committee to be prepared for an extensive lobbying effort as the bill is expected to reach the Governor for his consideration. SB 649 is being heard in the Assembly Communications and Conveyance Committee, in which Supervisor Rex Bohn is slated to testify in opposition later in the day.
- Senate Bill 447 (Nielsen), which would authorize two or more counties to voluntarily create assessment appeals boards to hear taxpayer appeals. Mr.

Smith reported that the RCRC-sponsored SB 447 was given final approval by the Legislature and now awaits the consideration of the Governor. The Governor is expected to sign SB 447 in law. Mr. Smith will provide an update to the RCRC Board of Directors at the August 16, 2017 RCRC Board of Directors meeting.

- Assembly Bill 924 (Bonta), which would authorize the Governor to enter into agreements concerning cannabis activities on lands of federally-recognized sovereign Indian tribes. The RCRC-opposed bill was held in the Senate Business, Professions and Economic Development Committee. Mr. Smith noted that while AB 924 has been defeated for the remainder of the year, efforts to allow Native American tribes access to California's cannabis market will continue to be discussed in the Legislature.

Mr. Smith referenced that RCRC will be hosting a conference call, "The First Look: In-Home Support Services (IHSS) After Senate Bill 90," to provide an extensive overview of the recent revisions to the In-Home Support Services program, particularly on labor provisions. Arthur Wylene, Governmental Affairs Counsel, Tracy Rhine, Legislative Advocate, and Kelly Brooks-Lindsey, Partner of Hurst Brooks Espinosa, will be hosting the conference call. The conference call is scheduled for July 20, 2017 at 2:00 p.m.

Mr. Smith reported on recent and upcoming visits to Member Counties regarding cannabis licensing and regulatory update. At these presentations, Mr. Smith and Mr. Wylene discuss critical policy areas such as licensing and land use, cultivation and environmental considerations, and the roles of counties in permitting, prohibiting, or regulating state-licensed cannabis activities. Mr. Smith encouraged interested Supervisors to reach out to RCRC staff for a presentation should they need assistance in developing policies in light of recently-enacted cannabis legislation. Mr. Smith and Mr. Wylene presented to Tuolumne County, and are scheduled to present to Merced, Mono, and San Benito Counties.

Lastly, Mr. Smith provided an update on the Federal Payments in Lieu of Taxes (PILT) program. Mr. Smith stated that Fiscal Year 2017 Federal PILT payments have been dispersed, and counties should have received payments. As for Fiscal Year 2018, Mr. Smith noted that the House released their draft Fiscal Year 2018 Interior, Environment, and Related Agencies Appropriations Bill, which would fund the Federal PILT program at \$465 million, the same as the Fiscal Year 2017 level. However, the Trump Administration has requested to fund only \$397 million. The Senate has yet to release a bill outlining funding for federal resource agencies. Mr. Smith encouraged the RCRC Executive Committee to go on-record for a permanent and full funding of the Federal PILT program.

Speaker

Mr. Curtis Vandermolen, Deputy Director of the California Transportation Commission (CTC), presented to the RCRC Executive Committee on the California Road Charge Pilot Program. Mr. Vandermolen provided an overview of the gas tax background, road charge explanation, pilot program participation profile and results, rural impacts, and next steps.

Proposed Cap-and-Trade Legislative Package - Assembly Bill 398 (E. Garcia) and Assembly Bill 617 (C. Garcia) – ACTION

Paul A. Smith shared with the RCRC Executive Committee that RCRC staff have been working on the issue of the State's Cap-and-Trade auction program for several weeks. With the recent movement and viability of Cap-and-Trade legislative package in the Legislature, Mr. Smith believes it was time to bring this issue forward for the RCRC Executive Committee's immediate attention and guidance.

Mary-Ann Warmerdam, Senior Legislative Advocate noted that the State's Cap-and-Trade program has been a priority of Governor Brown, and an extension of Cap-and-Trade is likely to go forward one way or another. Ms. Warmerdam noted that should there be a deal for rural counties, staff would be advocating for the most suitable deal possible on behalf of rural counties. Ms. Warmerdam stated that RCRC staff have been in discussions with legislators and key staff to share the rural perspective.

Staci Heaton, Regulatory Affairs Advocate echoed the sentiments of Ms. Warmerdam on the proposed Cap-and-Trade legislative package. Ms. Heaton explained to the RCRC Executive Committee that there are currently two bills in circulation, Assembly Bill 398 authored by Assembly Member Eduardo Garcia and Assembly Bill 617 authored by Assembly Member Cristina Garcia. Ms. Heaton explained that AB 398 would set the parameters of the Cap-and-Trade program for the industries, which will require a two-thirds vote. AB 617 is an air quality measure that includes enhanced monitoring and regulation for facilities that are subject to the Cap-and-Trade program. A third piece of legislation that would allocate the Greenhouse Gas Reduction Fund is expected to be forthcoming.

Ms. Heaton noted that RCRC staff was presented with opportunities to address the policy issues. Ms. Heaton highlighted RCRC's three policy priorities: full repeal of the State Responsibility Area Fees within AB 398; funding for healthy forest programs, including tree mortality mitigation and wildfire prevention projects; and, securing a more equitable definition of "disadvantaged communities" and "low-income communities."

Ms. Heaton and Ms. Warmerdam shared with the RCRC Executive Committee that hearings are being scheduled, and a vote may occur soon, perhaps in the next week or when the Legislature reconvenes from Summer Recess in late-August.

The RCRC Executive Committee discussed at length the pros and cons as it pertains to RCRC Member Counties if only one or two of the priorities are addressed. The RCRC Executive Committee discussed that all three of RCRC's policy priorities should be addressed. Mr. Smith raised to the RCRC Executive Committee that if no action is taken by the Legislature before the August 16, 2017 RCRC Board of Directors meeting, staff will bring this issue to the Board with similar recommendations.

Staff Recommendation

RCRC staff recommended the RCRC Executive Committee adopt a "Support if Amended" position on the Cap-and-Trade package if all three of RCRC's policy priorities are addressed.

Supervisor Diane Dillon, Napa County, motioned to adopt a “Support if Amended” position on the Proposed Cap-and-Trade Legislative Package - Assembly Bill 398 (E. Garcia) and Assembly Bill 617 (C. Garcia). Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passes unanimously.

RCRC Quarterly Budget and Investment Reports

Lisa McCargar, Chief Financial Officer, presented the Quarterly Investment Report, the Budget Report, and the Cash and Securities Asset Report for period ending May 31, 2017.

RCRC 2018 Meeting Calendar Draft

Paul A. Smith reviewed a draft meeting schedule for 2018 with the Executive Committee. Mr. Smith informed the Executive Committee that the ESJPA may change as they have not yet been confirmed by the ESJPA Board of Directors.

County Visits Update

Greg Norton, President and CEO, reported on recent county visits taken by staff. Staff has recently made visits to Sutter, Mariposa, Napa, and Tuolumne Counties.

The Executive Committee recessed at 11:45 a.m.

Closed Session: President/CEO Annual Evaluation

The Executive Committee convened a closed session at 12:07 p.m. pursuant to Section 54957 of the Government Code.

The Executive Committee reconvened into open session at 2:08 p.m.

Report Any Action Taken Under Item VIII. Pursuant to Section 54957 of the Government Code

Second Vice Chair, Supervisor Randy Hanvelt, Tuolumne County, reported that the Executive Committee will be continuing the closed session on August 9, 2017 at 10:00 a.m.

Adjournment

Second Vice Chair, Supervisor Randy Hanvelt, Tuolumne County, adjourned the meeting of the Executive Committee at 2:12 p.m.