

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, April 15, 2015 – 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 Lee Adams, Sierra County, called the meeting to order at 9:13 a.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
Mary Rawson	Alpine
Doug Teeter	Butte
Cliff Edson	Calaveras
John Viegas	Glenn
Rex Bohn	Humboldt
Matt Kingsley	Inyo
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Geri Byrne	Modoc
Tim Fesko	Mono
Diane Dillon	Napa
Nate Beason	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
Les Baugh	Shasta
Lee Adams	Sierra
Larry Munger	Sutter
Bob Williams	Tehama
John Fenley	Trinity
Allen Ishida	Tulare
Randy Hanvelt	Tuolumne
Roger Abe	Yuba

Absent

Brian Oneto	Amador
Kim Dolbow Vann	Colusa
Dave Finigan	Del Norte
Michael Ranalli	El Dorado
Michael Kelley	Imperial
Anthony Farrington	Lake
John Pedrozo	Merced
Kevin Goss	Plumas

Michael Kobseff
Matt Rexroad

Siskiyou
Yolo

Others in Attendance

Supervisor Margie Barrios, San Benito County
Ray Espinosa, CAO, San Benito County
Supervisor Richard Forster, Amador County
Becky Albaugh

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
Kathy Mannion, Legislative Advocate
Mary Pitto, Regulatory Affairs Advocate
Staci Heaton, Regulatory Affairs Advocate
Cyndi Hillery, Legislative Advocate
Justin Caporusso, Director of Public Affairs
Sarah Bolnik, Office Manager
Randall Echevarria, Legislative Analyst
Santinia Pasquini, Legislative Analyst
Maggie Chui, Governmental Affairs Assistant

Pledge of Allegiance

Approval of Minutes – March 18, 2015

Chair, Lee Adams, Sierra County, called for approval of the minutes from the March 18, 2015 Board of Directors Meeting.

Supervisor Les Baugh, Shasta County, motioned to approve the minutes from the March 18, 2015 Board of Directors Meeting. Supervisor Mary Rawson, Alpine County, seconded the motion. Motion passed unanimously.

Abstaining:

Supervisor Cliff Edson, Calaveras County; Supervisor Jim Holmes, Placer County; Supervisor Larry Munger, Sutter County

Chair's Report

RCRC Chair, Supervisor Lee Adams, Sierra County, thanked Tehama County Supervisor Bob Williams for attending the California Emerging Technology Fund Local Government Roundtable in Riverside County on behalf of RCRC. Supervisor Adams thanked RCRC Staff for all of their hard work on the PILT issue.

Member County Concerns and Issues

Supervisor David Rogers, Madera County, informed the Board of Directors that in November the High Speed Rail Authority has been interacting with the Madera Planning Commission a subdivision of industrial property.

Supervisor Tim Fesko, Mono County, announced the U.S. Fish and Wildlife is meeting in Reno on Tuesday regarding the issue of listing the bi-state sage grouse. Supervisor Fesko will be in attendance.

Supervisor Allen Ishida, Tulare County, stressed his concerns that over 1,000 domestic wells in Tulare County are currently dry and over 50,000 acres of citrus are in jeopardy. Supervisor Ishida stated that the 2015 drought is over 50% worse than the drought in 2014. He wanted information on the state releasing water through various rivers to accommodate steelhead.

Supervisor Geri Byrne, Modoc County, informed the Board of Directors that on June 25 there is a Strategic Planning Meeting for the County Medical Services Program.

Supervisor Larry Munger, Sutter County, discussed a Sutter/Butte County flood control project. Currently there is a dispute regarding Indian artifacts between a local tribe in Sutter County, a federal agency, and archaeologists in San Francisco. The hold-up could end up costing the county upwards of \$6 million in delays. Supervisor Munger asked if other counties had experience with this.

Supervisor Carre Brown, Mendocino County, reported that Mendocino County settled the wildlife services lawsuit brought by an animal rights group.

Supervisor Lee Adams, on behalf of Supervisor Michael Kobseff, Siskiyou County, discussed the Public Trust Doctrine litigation. In Siskiyou County, all new well permits are being denied. The Superior Court has also denied the appeal for re-consideration. Siskiyou County plans to appeal.

Public Comments

None

President's Report

Greg Norton, President and CEO, welcomed everyone to the meeting.

Mr. Norton reported that in the past month staff has visited El Dorado, Mariposa, Yuba, and Butte Counties.

Mr. Norton also reported to the Board of Directors on the status of the Golden State Finance Authority JPA agreements, as well as the PACE Program.

June 2015 Board of Directors Meeting

Patricia Megason, Executive Vice President, informed the Board of Directors of the RCRC tradition to host a meeting in the county of the RCRC Board Chair which this year will be in Sierra County. The June 2015 County of the Chair Meeting will be held June 17-18 and will begin with a tour and dinner scheduled for Wednesday, June 17th. The RCRC Board Meeting

will be held on Thursday, June 18th in Downieville. Chair, Supervisor Lee Adams, Sierra County, also gave the Board a rundown of the events in Sierra County.

Governmental Affairs: Local Marijuana Ordinances:

Patricia Megason informed the Board of Directors that to date only six counties have submitted copies of their respective marijuana ordinances to RCRC staff. RCRC staff is hosting Member county medical marijuana ordinances on our internal server in an effort to make these local ordinances available to Members interested in learning more about how other counties are addressing issues related to illegal marijuana grow sites, medical marijuana cultivation, local enforcement, etc. Member counties were urged to forward copies of their local marijuana ordinances to RCRC staff.

Wildfire Strategy Implementation

Staci Heaton, Regulatory Affairs Advocate, provided an update on the actions taken to date to advance the goals of the Wildfire Strategy. Recently, the RCRC Officers and staff had a positive and extensive meeting with California Air Resources Board (CARB) Chair Mary Nichols and key members of her policy staff. Ms. Heaton reported the issues discussed at the CARB meeting included the connection between good forest management and air quality, the impact of forest fires on black carbon levels in the atmosphere, and the need for improving the infrastructure and cost-effectiveness of biomass processing in California. Supervisor Bob Williams, Tehama County, also reported to the Board what a positive meeting they had and stated that Cap-and-Trade monies should be allocated towards forest management.

Cyndi Hillery, Legislative Advocate, reported that the RCRC Officers and staff will be meeting later today with California Natural Resources Agency Secretary John Laird, CALFire Director Ken Pimlott, and key Natural Resources agency staff. Ms. Hillery listed the key topics of discussion: Cap-and-Trade fund allocation, as well as joining efforts and planning for better management of federal lands in California.

State Water Board Proposed Final Water Quality Trash Amendments

Mary Pitto, Regulatory Affairs Advocate, informed the Board of Directors that the State Water Board adopted the trash amendments to the Statewide Water Quality Control Plans. Ms. Pitto explained that these amendments were presented as a one-size-fits-all approach that will financially impact rural areas. RCRC joined a state wide coalition that sought flexibility in the permit requirements since trash potential is different in different parts of the state. Ms. Pitto stated that, while not as flexible as the coalition wanted, the amendments were revised and approved with some flexibility.

Safe Drinking Water - Disadvantaged Communities

Kathy Mannion, Legislative Advocate, provided an update on the Administration's various initiatives relating to safe drinking water for Disadvantaged Communities (DACs). Ms. Mannion informed the Board that the Administration is seeking to partner with local entities - including counties - in an effort to remedy the lack of affordable and safe drinking water for many DACs, and recently held a series of individual meetings with various stakeholder groups to discuss a two-page outline titled "Affordable, Safe Drinking Water for Disadvantaged Communities." Ms. Mannion urged member counties to review the outline as

well as the State Water Resources Control Board's Safe Drinking Water Plan for California, and provide comments to RCRC staff.

Governor's Drought Executive Order B-29-15

Kathy Mannion gave a briefing of the Governor's drought state of emergency, and the \$1 billion package to expedite bond funding that the Governor issued in March of this year. Ms. Mannion described in detail what the package is expected to accomplish. \$128 million in expenditures from the Governor's budget will implement the Administration's Water Action Plan; \$272 million in Proposition 1 funding will be directed towards state drinking water and water recycling; and, \$660 million from Proposition 1E will go towards flood protection in urban and rural areas.

Ms. Mannion then described how on April 1, 2015 Governor Brown issued Executive Order B-29-15, which calls for statewide mandatory water restrictions as well as a 25% water reduction.

State Legislation

Paul A. Smith, Senior Legislative Advocate, reviewed several current legislative measures with the Board of Directors. Mr. Smith reported that there has been no movement in regards to the issue of CalPERS retired annuitants and holding elected office. Mr. Smith thanked Tehama, Trinity, Mendocino and Butte counties for their assistance on the multiple marijuana bills. Currently there are a number of bills dealing directly with the framework of a medical marijuana licensing scheme. Mr. Smith also discussed the following bills with the Board of Directors:

Assembly Bill 45 regarding new county-mandated household hazardous waste programs and specific goals. To date a number of counties have submitted letters of opposition. Mr. Smith urged those counties who have not submitted comments to do so.

Mr. Smith then discussed Assembly Bill 1220 and Senate Bill 593 relating to transient occupancy taxes. AB 1220 eliminates the tax for those that reserve lodgings in the home-share scheme, while SB 593 strengthens the tax for those utilizing home-share schemes. Mr. Smith encouraged counties to support SB 593.

Cyndi Hillery, Legislative Advocate, discussed the status of the concurrent enrollment bills, home-to-school transportation bill, and the Medi-Cal reimbursement rate bills.

Ms. Hillery also informed the Board of Directors that RCRC is opposing Senate Bill 209, and has taken a support position on Assembly Bill 1142 both relating to SMARA, the surface mining law in California.

Both Mr. Smith and Ms. Hillery discussed aspects of Assembly Bill 1203 which would repeal the SRA fee and replace it with a broad-based surcharge on insurance policies and would fund all disaster management activities within the state.

Kathy Mannion discussed Assembly Bill 291, an ACWA sponsored bill, which addresses the filing of California Environmental Quality Act (CEQA) notices for multi-county water transfer

projects. RCRC staff is in discussion with the sponsor and seeking amendments to the bill. RCRC's position is pending.

Ms. Mannion then discussed Senate Bill 239. RCRC is strongly opposed to this bill. SB 239 would require the written agreement of recognized employee organizations that represent firefighters to a local government decision to contract out for fire services.

Then Ms. Mannion discussed Assembly Bill 851, a CALAFCO-sponsored bill, dealing with disincorporation. RCRC is in discussion with the sponsor and seeking amendments to the bill. RCRC's position is pending.

Also, Ms. Mannion discussed Assembly Bill 1315 which is a recent gut and amend to prohibit a public entity, from delegating to a contractor the development of a Stormwater Pollution Prevention Plan, used to prevent or reduce water pollution or runoff on a public works contract. This measure would prevent counties from contracting out for pollution prevention plans.

Assembly Bill 1362 (Gordon) Assessments, Fees, and Charges: Stormwater Definition

Kathy Mannion presented Assembly Bill 1362 (Gordon) and a yet to be introduced Assembly Constitutional Amendment which would, respectively, 1) define "stormwater" to mean any system of public improvements or services intended to provide for the quality, conservation, control and conveyance of waters that land on or drain across the natural or man-made landscape; and, 2) allow voters to decide if "stormwater" infrastructure and services should be funded similar to the way water districts and wastewater districts fund their infrastructure and services. Ms. Mannion recommended that the Board of Directors take a support position on both AB 1362 and the related ACA.

Staff Recommendation

RCRC staff recommended that the RCRC Board of Directors take a position in support of AB 1362 and the companion ACA when it is introduced.

Supervisor Jim Holmes, Placer County, motioned to approve staff recommendations. Supervisor Anthony Botelho, San Benito County, seconded the motion. Motion passed unanimously.

State Payment In-Lieu of Taxes (PILT) Legislation and Budget

Kathy Mannion provided an update on the efforts to secure State Payment in Lieu of Taxes (PILT) payments and arrears through Senate Bill 234 (Wolk/Nielsen) and the Governor's proposed 2015-16 Budget. Ms. Mannion explained that the Governor's proposed 2015-16 Budget allocates approximately \$644,000 for PILT for the current fiscal year. This figure was arrived at by backing out the property tax allocation for school districts from the annual fiscal year PILT payment. Ms. Mannion stated that the Administration has also put forward State Budget trailer bill language which would make these payments permissive which RCRC is opposing.

Ms. Mannion informed the Board that on April 9, 2015, the Senate Budget and Fiscal Review Subcommittee #2 considered the proposed 2015-16 Fiscal Year appropriation and the

Administration's proposed Budget trailer bill. RCRC Chair Lee Adams (Sierra County) testified on behalf of RCRC at the Subcommittee hearing, requesting the following:

1. Approve the proposed PILT appropriation of \$643,817 for Fiscal Year 2015-16;
2. Add an appropriation of \$8 million for the arrears; and,
3. Reject the Administration's proposed changes to Fish and Game Code 1504 (a), (c), (e), and (f).

The Subcommittee approved the Budget item as proposed (\$644,000 General Fund), and approved the trailer bill language but struck the language making payments permissive. Additionally, the Subcommittee approved the motion made by Senator Wolk to add an \$8 million General Fund appropriation for payment of the arrears.

Ms. Mannion noted that RCRC is sponsoring and supporting SB 234, which would appropriate \$19 million for PILT payments to the 36 PILT counties for the arrears owed since the State stopped making annual payments more than a decade ago. SB 234 is currently on the Senate Appropriations Suspense File.

Update on Transportation Funding Proposals

Paul Smith reported that the Legislature has begun to work with state and local transportation stakeholders to develop funding solutions to address transportation needs. Mr. Smith presented the various options to the Board of Directors, including proposals from Senator Jim Beall (D-San Jose) and Assembly Speaker Toni Atkins (D-San Diego), Transportation Guiding Principles from the Senate Republican Caucus, and an update on the Board of Equalization's Gas Excise Tax Adjustment. Mr. Smith added that Senator Beall's bill will preserve and maintain the current system and would split the proceeds between the state and the locals 50/50. This package requires a 2/3 vote in the Legislature.

Mr. Smith also reported on Senate Bill 1077 regarding a study of a new transportation funding model, commonly referred to as "vehicle miles traveled". Supervisor Dave Finigan, Del Norte County, is a member of state-convened task force assisting to craft a study.

Federal Update

Staci Heaton reported on HR 1732, which would stop implementation of the proposed EPA/Army Corp of Engineers rule to change the definition of Waters of the U.S., which was just released. Ms. Heaton added that RCRC plans to support this bill that was just heard in committee.

Secure Rural Schools Update

Paul Smith provided an update on the latest activities regarding the reauthorization of the Secure Rural Schools & Self Determination Act (SRS). As predicted, on Thursday April 16, 2015 President Obama signed into law H.R. 2, the Medicare Access and CHIP Reauthorization Act of 2015, more commonly referred to as the "Doc Fix." Mr. Smith stated that although the primary purpose of the Doc Fix bill is to restructure Medicare reimbursements, the measure also includes provisions that provide a two-year extension to SRS. The SRS extension is estimated to provide California counties and school districts approximately \$27.3 million in 2014 and \$25.9 million in 2015. Mr. Smith provided the Board with the estimated 2014/2015 SRS payments by county.

Federal Tribal Fee-to-Trust Update

Supervisor Diane Dillon, Napa County, gave an update on the Tribal Fee-to-Trust issue. Supervisor Dillon met with Mike Andrews, Chief Counsel, at a roundtable in Washington DC. Supervisor Dillon provided a detailed report of the roundtable in Washington, DC to the Board of Directors. Both Supervisor Dillon and Supervisor David Rabbitt, Sonoma County, were present for the meeting.

Veteran's Access to Care - Mileage Interpretation

Cyndi Hillery reviewed an issue raised by Trinity County regarding veteran's access to medical care in their community if they are over 40 miles from a veteran health care facility. The law previously stated that the 40 miles was interpreted "as a crow flies", not in actual road miles. RCRC's efforts helped change the interpretation to 40 miles per a map system, which in turn doubled the number of veterans able to access medical care in their own community. Ms. Hillery noted that this was a huge win for RCRC, and she thanked Trinity County for bringing the issue to the staff's attention.

Wildfire Funding

Cyndi Hillery reported on the ongoing federal efforts to change the way that wildfire disasters are currently funded, and to preserve funds for wildfire prevention and forest health. Ms. Hillery reported that 40% of USFS's baseline budget is currently being utilized for fire suppression. Ms. Hillery added that RCRC continues to support the Wildfire Disaster Funding Act (WDFFA). The WDFFA would set aside funding for the most expensive disasters so that prevention funding isn't depleted.

Update on the Reauthorization of MAP-21, Federal Transportation Funding Program

Paul Smith reported that MAP-21, the federal transportation funding program, is set to expire on May 31, 2015. With that deadline approaching, Mr. Smith noted that Congress failed to coalesce around a specific approach for maintaining solvency of the Highway Trust Fund (HTF), and thus extending MAP-21 funding. Mr. Smith stated that it remains unclear whether Congress will allow the HTF to become insolvent, or opt for another short-term extension, and questions remain on how to best finance the long-term obligations of the HTF.

Adjournment

Chair, Supervisor Lee Adams, Sierra County, adjourned the RCRC Board of Directors Meeting at 1:24 p.m.