

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, March 20, 2013 – 9:00 a.m.
1215 K Street, Suite 1650 – Conference Room
Sacramento, CA 95814**

MINUTES

Call to Order, Determination of Quorum and Self Introductions

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting to order at 9:25 a.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
Mary Rawson	Alpine
Richard Forster	Amador
Doug Teeter	Butte
Merita Callaway	Calaveras
Kim Dolbow Vann	Colusa
David Finigan	Del Norte
Ray Nutting	El Dorado
Linda Arcularius	Inyo
Anthony Farrington	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Geri Byrne	Modoc
Diane Dillon	Napa
Terry Swofford	Plumas
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Stan Cleveland	Sutter
Bob Williams	Tehama
Debra Chapman	Trinity
Randy Hanvelt	Tuolumne
Jim Provenza	Yolo
Roger Abe	Yuba

Absent

John Viegas	Glenn
Michael Kelley	Imperial
John Pedrozo	Merced
Tim Alpers	Mono
Nate Beason	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
Allen Ishida	Tulare

Others in Attendance

Supervisor John Fenley, Trinity County
Lee Kemper, CMSP Governing Board
Jim Wiltshite, Director of Operations and Outreach, CSAC
Farrah McDaid Ting, Associate Legislative Representative, CSAC

Staff in Attendance

Greg Norton, President and CEO
Patricia Megason, Executive Vice President
Karl Dolk, Chief Financial Officer
Mark Lowder, Director of Housing Finance
Paul Smith, Senior Legislative Advocate
Cyndi Hillery, Legislative Advocate
Kathy Mannion, Legislative Advocate
Mary Pitto, Regulatory Affairs Advocate
Staci Heaton, Regulatory Affairs Advocate
Randall Echevarria, Legislative Analyst
Nick Konovaloff, Legislative Analyst
Santinia Pasquini, Legislative Analyst
Sarah Bolnik, Executive Assistant

Approval of Minutes – January 16, 2013

Chair, Supervisor Kevin Cann, Mariposa County, called for approval of the minutes from the January 16, 2013 Board of Directors Meeting.

Supervisor Les Baugh, Shasta County, motioned to approve the minutes from the January 16, 2013 Board of Directors Meeting. Supervisor David Rogers, Madera County, seconded the motion. Motion passes unanimously.

Abstaining: Supervisor Stan Cleveland, Sutter County.

Member County Concerns and Issues

Supervisor Randy Hanvelt, Tuolumne County, informed the Board of Directors that the US Supreme Court ruled that forest harvest roads are exempt from the Clean Water Act.

Supervisor Doug Teeter, Butte County, discussed funding for weights and measures activities at CA Department of Food and Agriculture along with pest trapping funding cuts and the impact of these cuts on Butte County.

Supervisor Bob Williams, Tehama County, informed the Board of Directors of a recent rule by the Bureau of Indian Affairs which prohibits state and local governments from applying possessory interest taxes (personal property taxes) upon leaseholders of projects on Indian lands.

Supervisor Michael Kobseff, Siskiyou County, discussed Assembly Bill 1230 (Donnelly) which would allow for the hunting of bears by hounds, and inquired about possible

changes to the RCRC Policy Principles which would allow RCRC to take a position on the bill.

Supervisor Richard Forster, Amador County, thanked Paul Smith for his help on the issue of State Highway 16 Relinquishment and the meeting that has been arranged. He also thanked RCRC for their efforts on Amador County's property tax funding issue, which was heard in an Assembly Budget subcommittee on Tuesday.

Supervisor Stan Cleveland, Sutter County, informed the Board that Sutter County met with the Flood Control Agency. Every issue that the Flood Control Agency addressed with Sutter County, the County had already addressed and was very successful.

Supervisor Terry Swofford, Plumas County, informed the Board that Plumas County has already had meetings regarding road closures under the USFS travel management.

Supervisor Linda Arcularius, Inyo County, informed the Board that Inyo County had a meeting regarding the Forest Planning Rule with U.S. Forest Service Chief Tom Tidwell.

Public Comments

None

County Medical Services Program (CMSP) and Federal Health Care Reform

Cyndi Hillery, Legislative Advocate, reviewed the structure and the history of the County Medical Services Program (CMSP) and the role CMSP will play in implementing federal health reform in many rural counties. Ms. Hillery explained that all RCRC member counties except Merced, Placer and Tulare are members of CMSP.

Ms. Hillery explained the two major components of federal health care reform, Mandatory expansion and Optional expansion. Mandatory expansion includes enrolling all possible individuals currently eligible for Medi-Cal through outreach, and simplifying the rules regarding enrollment, eligibility, and retention of those already enrolled. In Optional expansion, states had the option of choosing whether or not to expand eligibility of Medi-Cal services to individuals previously not eligible, including all individuals with incomes less than 138% of federal poverty level.

The Governor's proposed budget states that California will implement both components of the federal health care reform on January 1, 2014; however, there are two possible scenarios when implementing the optional expansion, the "State Model" and the "County Model". Ms. Hillery explained both models in detail to the Board of Directors, and explained that most county advocates as well as CMSP believe that the State Model is the only workable option. In the State Model, the state would be responsible for the cost of all Medi-Cal services for new and existing populations, thereby potentially freeing up a certain amount of revenue from counties that the state would be seeking to absorb.

Speaker Lee Kemper, CMSP Governing Board

Supervisor Richard Forster, Amador County, introduced Mr. Kemper to the Board of Directors and Mr. Kemper addressed the Board regarding federal health reform and the role CMSP is playing in that framework.

President's Report

Greg Norton, President and CEO, welcomed everyone to the meeting. The Executive Committee held a meeting on February 20, 2013 covering a variety of items, many of which we will cover today.

Mr. Norton and Paul Smith will be visiting Mendocino County next week for their Board of Supervisors meeting. Mendocino County is interested in rejoining RCRC, and they requested Mr. Norton's attendance. A number of additional visits to member counties have occurred including Calaveras, Napa, El Dorado, Glenn, Modoc, and Madera Counties.

Proposed Amendment to the 2013-14 Energy Policy Principles – Action Item

Kathy Mannion, Legislative Advocate, discussed briefly Inyo County and their efforts to work with the CEC on the siting of a large solar facility on the Inyo/Nevada border. As a result of this experience, Inyo County submitted suggested written language and worked with RCRC staff on a proposed addition to the Policy Principles dealing with Mitigation Measures. The addition would read as follows:

Mitigation Measures. RCRC recognizes the California Energy Commission's sole authority for permitting certain renewable energy power plants. However, RCRC supports efforts to require the CEC to give "due deference" to impacts and recommended mitigation measures identified by the county in which a power plant is proposed for inclusion in the CEC's proposed conditions of certification for the project.

RCRC Staff recommended the Board of Directors approve the addition of "Mitigation Measures" to the RCRC Energy Policy Principles.

Supervisor Linda Arcularius, Inyo County, motioned to approve the staff recommendation. Supervisor Lee Adams, Sierra County, seconded the motion. Motion passes unanimously.

Rural Medi-Cal Managed Care Expansion

Cyndi Hillery updated the Board on the current status of Medi-Cal Managed Care expansion in rural counties. As part of the expansion, several counties realized that they would be better served under a different plan. Seven counties sought to be joined to an existing county-run managed care program, Partnership Health Care of California (PHC). Ms. Hillery explained the process of the state Request for Application (RFA), and the position of those counties that wanted to be exempted from the RFA, such that they could be serviced instead by PHC. Two days after the final notice was due to be released, the California Department of Health Care Services announced that the seven counties that requested exemption from the RFA were indeed excluded and permitted to be serviced by PHC. Ms. Hillery stated that it was a win for those counties involved.

State Responsibility Area Fee Legislation

Cyndi Hillery reported to the Board that not much has officially changed in regards to the State Responsibility Area (SRA) fees. Ms. Hillery said that today an email was sent from the Board of Equalization suspending all of the scheduled April 2013 SRA fee billings.

Ms. Hillery reviewed three legislative measures that would repeal SRA fees: Assembly Bill 23 (Donnelly); Assembly Bill 124 (Morrell); and, Senate Bill 17 (Gaines). RCRC will take a support position on all of these bills.

Ms. Hillery noted that there are other measures that will re-construct the SRA fees; however, these are “fix-it bills”. Staff would ask counties to hold off on supporting these and any other fix-it bills that go beyond straight repeal until such time as RCRC reports otherwise.

Medi-Cal Reimbursement Rate Cuts (AB 97) Implementation

Cyndi Hillery updated the Board on the status of the implementation of the Medi-Cal Reimbursement Rate Cuts initiated by Assembly Bill 97, a Budget trailer bill from 2011-12. With these pending rate cuts, rural counties may lose many of their medical facilities.

Update on Secure Rural School Act Reauthorization and PILT

Patricia Megason, Executive Vice President, informed the Board that on September 30, 2012, Secure Rural Schools (SRS) expired and that Payment in Lieu of Taxes (PILT) is set to expire this year, therefore Congress must take action to reauthorize SRS and PILT. The reauthorization of SRS and PILT are a high priority for RCRC staff in 2013, and much of the officer’s time and staff’s time in Washington DC for NACo’s Annual Legislative Conference was dedicated to SRS and PILT. Paul A. Smith, Senior Legislative Advocate noted that the House is likely to have one view, while the Senate will likely take a different view in reauthorizing SRS.

Water Bond Update

Kathy Mannion updated the Board of Directors on the status of the 2014 Water Bond discussions. It appears certain that the Legislature will reduce the size of the existing \$11 billion bond before it appears on the ballot. Ms. Mannion mentioned several bills that have been introduced which would reduce the size of the bond, refocus the bond, and/or repeal and replace the water bond. Bills mentioned were Senate Bill 42 (Wolk), Senate Bill 40 (Pavley), Assembly Bill 142 (Perea), and Assembly Bill 295 (Salas). Ms. Mannion reviewed RCRC’s water bond priorities based on adopted policy principles, and discussed the differences between competitive and allocated funding. A breakdown of the existing 2014 water bond expenditures was provided to the Board of Directors.

California Environmental Quality Act (CEQA) Reform

Kathy Mannion reviewed the current status of California Environmental Quality Act (CEQA) Reform. Ms. Mannion informed the Board that over twenty bills relating to CEQA have been introduced in the 2013-14 legislative session. Ms. Mannion stated that RCRC is currently working with the Public Works Coalition (PWC), a coalition of public agencies, on the issue of CEQA reform, and is participating in PWC meetings with legislators in both the Senate and the Assembly to make sure that the public agency/lead agency perspective is part of the discussion. Ms. Mannion discussed the content of Senate Bill 731 (Steinberg) and briefly mentioned several bills of particular interest to counties.

Office of Environmental Health Hazard Assessment (OEHHA) Proposed California Communities Environmental Health Screening Tool

Mary Pitto, Regulatory Affairs Advocate, discussed the OEHHA screening tool and the unintended consequences that could negatively affect rural counties. Ms. Pitto thanked Supervisors Vann, Abe, and Forster who attended the local government meeting and Supervisor Pedrozo for sending staff to the meeting hosted by RCRC regarding the OEHHA screening tool. Ms. Pitto urged the Board of Directors to submit letters to CalEPA expressing their concerns with the proposed tool and supporting the proposed language of the local government organization coalition letter dated February 1, 2013, as CalEPA currently plans to release the first version of the tool sometime in April 2013.

National Forest Land Management Planning Rule Proposed Directive

Staci Heaton, Regulatory Affairs Advocate, informed the Board that on February 27, 2013, the U.S. Forest Service officially released the proposed directives for implementing the National Forest Land Management Planning Rule for a 60-day comment period. Ms. Heaton asked the Board to file any comments by the deadline of April 29th.

Cap-and-Trade Auction Proceeds Investment Plan

Staci Heaton discussed with the Board the status of the Cap-and-Trade Auction Proceeds. In the Governor's proposed 2013-14 Budget, the intent is to prioritize the High Speed Rail project, followed by other transportation and energy projects. The Administration has begun taking public input on how the State should invest the proceeds, and Ms. Heaton stated that once the comments are reviewed the draft is set to be released in early April.

2013 Investment Policy Renewal

Greg Norton reviewed the 2013 Investment Policy with the Board of Directors. Mr. Norton informed the Board that this is an annual action and that only minor edits such as date changes and the organization's new name were made. The Executive Committee approved the investment policy and directed staff to recommend its approval by the Board.

Staff recommended the Board review and adopt the 2013 Investment Policy.

Supervisor Richard Forster, Amador County, motioned to approve the 2013 Investment Policy. Supervisor Roger Abe, Yuba County, seconded the motion. Motion passes unanimously.

Resolution 13-01: Revised Board Travel Policy

Greg Norton reviewed Resolution 13-01, the revised board travel policy. Mr. Norton stated that this is an annual action and that no rates were affected, only edits were proposed for clarification. The Executive Committee approved the revised resolution on February 20, 2013, and recommended it to be presented to the full Board of Directors.

Staff recommended the RCRC Board of Directors review and approve the proposed Board Travel Expense Policy, Resolution 13-01.

Supervisor Bob Williams, Tehama County, motioned to approve Resolution 13-01. Supervisor Richard Forster, Amador County, seconded the motion. Motion passes unanimously.

2013 Appointments to Outside Committees

Greg Norton informed the Board that each year various Board Members are appointed to outside committees to represent RCRC. The 2013 Officers made their recommendations for these appointments to the Executive Committee on February 20, 2013 for their approval. Mr. Norton reviewed all of the appointments approved by the Executive Committee. Mr. Norton asked if anyone was interested in serving on the Keep California Beautiful Committee to please contact RCRC staff.

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the RCRC Board of Directors Meeting at 2:36 p.m.