

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

May 6, 2015 – 10:00 a.m.

Executive Committee Members:

Supervisor Lee Adams, Sierra County
Supervisor John Viegas, Glenn County
Supervisor Bob Williams, Tehama County
Supervisor Nate Beason, Nevada County

Supervisor Rex Bohn, Humboldt County
Supervisor Doug Teeter, Butte County
Supervisor Roger Abe, Yuba County
Supervisor Tim Fesko, Mono County
Supervisor Kevin Cann, Mariposa County

Minutes

Call to Order and Determination of Quorum

RCRC Chair, Supervisor Lee Adams, and GSFA Vice Chair, Supervisor Les Baugh, called the simultaneous meeting of the RCRC Executive Committee and the GSFA Executive Committee to order at 10:09 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Doug Teeter	Butte
John Viegas	Glenn
Rex Bohn	Humboldt
Tim Fesko	Mono
Nate Beason	Nevada
Lee Adams	Sierra
Bob Williams	Tehama
Supervisor Les Baugh	Shasta

Absent Members

Kevin Cann	Mariposa
Roger Abe	Yuba

Staff in Attendance

Greg Norton, President and CEO
Patricia Megason, Executive Vice President
Lisa McCargar, Chief Financial Officer
Sarah Bolnik, Office Manager
Paul A. Smith, Senior Legislative Advocate
Craig Ferguson, Vice President
Sanjay Lee, Accountant
Elizabeth Jensen, Accountant

Others in Attendance

Shannon Avrett, Moss Adams
Derek Criswell, Moss Adams

Special Order of Business:

2014 Annual Audit Exit Conference and Financial Statements

Lisa McCargar, Chief Financial Officer, introduced Shannon Avrett, Assurance Senior Manager, and Derek Criswell, Assurance Partner from the auditing firm of Moss Adams. Ms. Avrett provided the Executive Committees with an overview of their audit procedures, as well as an overview of the financial statements for RCRC and GSFA. Mr. Criswell noted that both RCRC and GSFA received an unqualified “clean” opinion, and there were no significant matters identified, and no audit adjustments proposed.

The Executive Committees met privately with Ms. Avrett and Mr. Criswell to ask any questions or stress any concerns. Staff exited the room at 10:24 a.m. and returned to the room at 10:36 a.m.

Staff Recommendation:

Staff recommends that the RCRC Executive Committee, acting in their function as the Audit Committee, review and approve the 2014 audited financial statements and information letter as presented for presentation to and adoption by the RCRC Board of Directors.

Supervisor Tim Fesko, Mono County, motioned to approve the 2014 financial statements and information letter as presented. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passed unanimously.

At 10:39 a.m. the simultaneous meeting of the RCRC Executive Committee and the GSFA Executive Committee was adjourned.

At 10:40 a.m. the RCRC Executive Committee was convened.

Approval of Minutes of the February 11, 2015 Meeting

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

Supervisor Nate Beason, Nevada County, motioned to approve the minutes of the February 11, 2015 Executive Committee Meeting. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed.

Member County Concerns

Supervisor Tim Fesko, Mono County, stated his desire for future board meetings being held in the County of the Chair be held in a month other than June. Supervisor Fesko is unable to attend the June Board Meeting, and would really like to visit other counties.

Public Comment

None

Government Affairs Update

Patricia Megason, Executive Vice President, informed the Executive Committee that on May 14, 2015, the Governor will release his May Revision to the State Budget. RCRC Staff will review the May Revise documents in detail, and will be distributing a summary to all member counties later that day.

Paul A. Smith, Senior Legislative Advocate, reported on several bills involving the creation of a medical marijuana regulatory framework. Currently, RCRC has not taken any formal position on any of the bills. Suggested amendments have been submitted on all of the bills. Mr. Smith discussed that the primary focus of RCRC in each measure is to secure local pre-emption in land-use functions. Mr. Smith also stressed the importance of provisions that provide explicit county taxing authority, ensuring proper environmental enforcement, as well as a strict licensing scheme.

Mr. Smith reviewed Senate Bill 16 (Beall), which is the most significant transportation funding proposal currently available. Mr. Smith explained that while this bill involves a significant tax increase, all of the funds would go into a central account and be divided equally between local government road improvements and state highway improvements. Mr. Smith explained that the funding generated in SB 16 is designed to maintain local roads, and not add capacity or enlarge highways. Mr. Smith stressed that the monies collected will be distributed using formulas already in place. This is a five year bill, and in staff's opinion the best bill for rural counties. RCRC has been asked to take a "support" position on the bill. The Executive Committee discussed at length the pros and cons of this transportation bill.

Patricia Megason discussed multiple important meetings taking place in Washington, D.C. Supervisor Diane Dillon, Napa County, represented RCRC at a meeting regarding Tribal issues. RCRC's Federal Lobbyist Thane Young, Van Scyoc Associates, represented RCRC while attending meetings covering Waters of the U.S.

Mr. Smith also discussed the "Cadillac Tax" – an excise, paid by employers, on health care programs that exceed certain cost thresholds. This tax, enacted as part of a way to finance the federal Affordable Care Act, is set to take effect in 2018. The Executive Committee discussed where each of their counties fell in regards to this issue.

Justin Caporusso, Director of Public Affairs, reminded the Executive Committee of the reenergized wildfire strategy that was unveiled last fall. Mr. Caporusso presented the EC with a copy of an op-ed that ran last week in the *Sacramento Bee* titled "California's Wildfire Season Now Runs Year-Round." RCRC has received a lot of positive feedback.

RCRC Quarterly Budget and Investment Reports

Lisa McCargar presented the Quarterly Investment & Budget Reports and the Cash and Securities Asset Report for the First Quarter of 2015 (period ending March 31, 2015) for RCRC.

ESJPA Revolving Loan

Greg Norton reported on the Rural Counties Environmental Services Joint Powers Authority's (ESJPA) revolving loan with RCRC. Mr. Norton explained that ESJPA provides grant services that in some instances receive funds in advance, and expenses are paid for from grant proceeds. In other cases, ESJPA is reimbursed after the expenditures have been incurred and also pending receipt of member dues. As a result, cash flow issues have been a concern for the ESJPA.

Mr. Norton explained that in the past, RCRC has made contributions to the ESJPA to provide cash flow assistance via a revolving business loan of up to \$50,000. Currently, ESJPA has utilized nearly all of the funds previously approved as a part of the budget, and has been unable to repay the loan. Mr. Norton explained the need for RCRC to again assist with ESJPA's cash flow challenges by approving an additional \$50,000 for 2015.

Staff Recommendation:

Staff recommends the RCRC Executive Committee approve a recommendation to the RCRC Board of Directors to provide the RCRC President the authority to make up to \$100,000 (cumulative) in revolving business loans to the ESJPA to assist with current and future 2015 cash flow needs.

Supervisor Nate Beason, Nevada County, motioned to approve staff recommendations as presented. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed.

County Visits Update

Greg Norton, President and CEO, reported on recent county visits taken by staff. Recent visits included Board of Supervisors meetings in both Glenn and Mariposa Counties. Mr. Norton stated the future travel to Shasta, Sierra, Plumas, and Trinity Counties will be taking place in the coming months.

Mr. Norton also announced the recent hiring of Mr. Layne Frederikson as RCRC's new IT Manager, and Mr. Terrance Rodgers as Business Analyst who will start on May 27, 2015.

Economic Development Update

Greg Norton reported on a recent meeting he had with American Well, a telehealth company who in 2008 launched the first ever telehealth platform. Mr. Norton has had discussions with American Well regarding software, services, and access to clinical services, all of which is needed for a complete telehealth service.

Mr. Norton also had many discussions with a firm regarding rural infrastructure and finance.

President/CEO Goals and Objectives Update

Mr. Norton met with the Executive Committee to discuss progress on his goals and objectives to date.

Adjournment

Supervisor Lee Adams, Sierra County, adjourned the meeting of the Executive Committee at 1:35 p.m.