

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, January 22, 2014 – 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 Nate Beason, Nevada County, called the meeting to order at 9:01 a.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
Mary Rawson	Alpine
Brian Oneto	Amador
Doug Teeter	Butte
Merita Callaway	Calaveras
Kim Dolbow Vann	Colusa
David Finigan	Del Norte
Brian Veerkamp	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Michael Kelley	Imperial
Linda Arcularius	Inyo
Anthony Farrington	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
John Pedrozo	Merced
Geri Byrne	Modoc
Tim Fesko	Mono
Diane Dillon	Napa
Nate Beason	Nevada
Terry Swofford	Plumas
Anthony Botelho	San Benito
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Bob Williams	Tehama
Debra Chapman	Trinity
Allen Ishida	Tulare
Randy Hanvelt	Tuolumne
Jim Provenza	Yolo
Roger Abe	Yuba

Supervisor Randy Hanvelt, Tuolumne County, raised the issue of the Secure Rural Schools program, and asked that it continue to be a top priority. Supervisor Hanvelt also discussed with the Board at length the issue of the U.S. Fish & Wildlife Services actions and considerations regarding “Frogs and Toads”.

Supervisor Tim Fesko, Mono County, also discussed “Frogs and Toads” as designated critical habitat. Mono County is currently being overcome by species-protected areas, and it is causing property values to decline.

Supervisor Kevin Cann, Mariposa County, notified the Board of Directors that he attended the “Frogs and Toads” meeting in Fresno with Supervisor Brennan, Tuolumne County. It was an informative meeting with standing room only.

Supervisor Linda Arcularius, Inyo County, raised the issue of “Free of Fish” standard as it relates to “Frogs and Toads” habitat.

Supervisor Brian Oneto, Amador County, expressed a desire to make dramatic revisions to the federal Endangered Species Act.

Supervisor Mary Rawson, Alpine County, discussed the U.S. Fish & Wildlife Service and its role (or lack thereof) in providing economic balance. A number of other members of the Board of Directors expressed additional views on the overall issue of “Frogs and Toads”.

Supervisor Geri Byrne, Modoc County, raised the issue of sagegrass in Northern Nevada and Eastern California. She also expressed concerns over the appropriate calculations by the Modoc County Auditor with respect to allocating property taxes. She inquired whether other RCRC-member counties are experiencing similar challenges.

Supervisor Nate Beason, Nevada County, inquired of other members of the Board of Directors regarding Fire Safe Councils.

Public Comments

None

President’s Report

Greg Norton, President and CEO, welcomed everyone to the meeting. Mr. Norton specifically welcomed Supervisor Rex Bohn, Humboldt County, to his first Board of Directors Meeting. Mr. Norton, Justin Caporusso, Public Affairs Specialist, and Mary Pitto, Regulatory Affairs Advocate, all visited Humboldt County in early January and spent the day on numerous informative excursions planned by Supervisor Bohn.

Mr. Norton reminded the Board of Directors to complete the RCRC Delegate and Alternate designation forms. M. Norton welcomed two new Supervisors to the Board, Supervisors Brian Oneto, Amador County, and Supervisor Tim Fesko, Mono County.

Mr. Norton briefly reviewed the California State reimbursement rate for lodging in Sacramento. The 2014 current rate for reimbursement is \$102.

Election of 2013 RCRC Executive Committee – Action Item

Chair, Supervisor Nate Beason, Nevada County, reviewed the election procedure for the Executive Committee. Supervisors from each region convened to caucus and select a Board Member to serve on the Executive Committee along with the four Officers. Following this caucus, the Board reconvened and reported the following selections for the RCRC Executive Committee:

Region 1	Supervisor Bob Williams, Tehama County
Region 2	Supervisor Geri Byrne, Modoc County
Region 3	Supervisor Diane Dillon, Napa County
Region 4	Supervisor Randy Hanvelt, Tuolumne County
Region 5	Supervisor David Rogers, Madera County

As Chair, Supervisor Nate Beason, announced his committee appointments.

Legislative Committee:

Chair – Supervisor Diane Dillon, Napa County

Vice Chair – Supervisor Kim Dolbow Vann, Colusa County

Regulatory Committee:

Chair – Supervisor John Pedrozo, Merced County

Vice Chair – Supervisor Bob Williams, Tehama County

Water and Natural Resources:

Chair – Supervisor Linda Arcularius, Inyo County

Vice Chair – Supervisor Roger Abe, Yuba County

CHF:

Chair – Supervisor Richard Forster, Amador County

Vice Chair – Supervisor Kevin Cann, Mariposa County

ESJPA:

Chair – Supervisor Michael Kobseff, Siskiyou County

Vice Chair – Supervisor Bob Williams, Tehama County

RCRC Board Member Appointments to Outside Committees

Board Members interested in serving as the RCRC representative to outside organizations should make their interest known to either Patricia Megason or Greg Norton by January 31st.

Overview of the 2014-15 State Budget

Paul A. Smith, Senior Legislative Advocate, provided an overview of the Governor's 2014-15 Proposed Budget. Mr. Smith presented the Board with "*The Rural Rundown*," a summary of the Governor's proposed Budget, its implications for member counties,

details of RCRC's advocacy efforts on specific issue items, and a perspective into the reasoning and rationale behind elements of the proposal.

Mr. Smith noted that the state's overall fiscal picture is much better than in recent years due to both strong property taxes and, more importantly, more-than-robust income tax receipts. Mr. Smith stated that the Governor is emphasizing the need to reform the "Rainy Day Fund". While this may not be a huge concern for many of rural counties, it may dominate legislative discussions during the budget process and also surface on the ballot in November.

Mr. Smith addressed several aspects of the proposed budget related to the administration of justice, including Assembly Bill 109/criminal justice realignment funding; the Governor's call for an additional \$500 million in bond authority for local jail construction; counties housing state prisoners who have 365 days left on their state prison sentence; increased funding for trial court operations; the funding process for local courthouse construction; and a lack of funding for trial court security for recently renovated courthouses.

Mr. Smith informed the Board of the Governor's proposed Budget to make dramatic reforms to the Bottle Bill. Counties receive a minimum of \$10,000 in state payments to address solid waste. The current funding system is proposed to be eliminated and redirected to a competitive grant program and a new competitive enforcement program.

The Governor's proposed Budget addresses the use by local governments of infrastructure finance districts (IFD's) which have existed for many years. He is proposing to reform their use by lowering the voting threshold for issuing debt, among other reforms.

The Governor's proposed Budget calls for the creation of a property tax collection enhancement program. This pilot program would consist of three rural counties, three suburban counties and three urban counties. Participation in the program would require a board of supervisors to provide a local match. Assuming passage, staff would urge a complete financial analysis before considering participation in the pilot program.

The Governor's proposed Budget calls for a transportation loan repayment, which would provide \$100 million for local governments and their transportation needs.

Kathy Mannion, Legislative Advocate, reported that the Governor's proposed Budget allocates all the remaining natural resource and water bond funds for implementation of the Administration's Water Action Plan. Ms. Mannion stated that numerous policy issues will be dealt with in Budget trailer bills.

Ms. Mannion also reported that the Governor's proposed Budget transfers the administration of the Drinking Water Program from the Department of Public Health to the State Water Resources Control Board. The Administration has announced that it will release a final "Transition Plan" in February 2014.

Williamson Act subvention funding was not included in the Governor's proposed Budget. It does allocate \$100 million to the Strategic Growth Council for local assistance funding which includes the preservation of agricultural land. RCRC Board members shared what their respective counties are doing relative to the Williamson Act. Many counties are not signing new Williamson Act contracts.

Ms. Mannion also discussed the Department of Fish and Wildlife payment in lieu of taxes (PILT) monies that the state owes to thirty six counties. The Governor's proposed Budget does not contain funding for PILT but advocacy efforts to secure funding will continue.

Cyndi Hillery, Legislative Advocate, discussed home-to-school transportation funding. Ms. Hillery noted that while there is not a line item for this program, please make a note that schools must spend the same amount of money spent last year on home-to-school transportation. She also, mentioned that if Supervisors have questions about other formerly-categorical educational programs, they could contact her for details on individual programs. Additionally, Ms. Hillery discussed the proposal to exempt certain providers from the "clawback" provision of the Medi-Cal reimbursement rate cut.

Staci Heaton, Regulatory Affairs Advocate, reviewed the \$850 million in Cap and Trade monies. The state estimates \$223 million will be spent in disadvantaged communities, with only 4 RCRC counties qualifying as areas according to the Cal EnviroScreen tool. The proposed Budget spends \$250 million on high speed rail and allots \$50 million to CALFIRE, among other things. The Governor proposes to repay \$100 million of the borrowed Cap and Trade money from last year.

Adoption of RCRC's 2014 Policy Principles

Chair, Supervisor Nate Beason, discussed the proposed 2014 Policy Principles. Board Members previously provided edits and comments to RCRC staff. RCRC staff recommended that the RCRC Board of Directors approve the proposed Policy Principles as presented.

Supervisor Linda Arcularius, Inyo County, motioned to approve the proposed 2014 Policy Principles. Supervisor Kevin Cann, Mariposa County, seconded the motion. Motion passes unanimously.

Draft Proposed Medical Marijuana Policy Principles

Paul A. Smith presented a comprehensive set of policy principles concerning medical marijuana, specifically addressing aspects unique to rural counties. After much discussion, the Board strongly urged the membership to share these proposed principles with their respective colleagues and county staff for input and revisions. The goal is for revisions to be made prior to the March Board of Directors meeting, and then subsequently adopt them at the meeting. Revisions and comments should be forwarded to Paul A. Smith at psmith@rcrcnet.org.

Mr. Smith thanked Supervisor Doug Teeter, Butte County; Frank Lynch, Trinity County Senior Planner; Debbie Vaughn, Tulare County Administrative Analyst; and Arthur Wylene, Tehama County Counsel, for all their assistance and knowledge on the issue.

Speaker of the State Assembly John Perez

Assembly Speaker Perez served as guest speaker and addressed the RCRC Board following the Governor's State of the State address earlier in the morning. Some of the topics discussed include:

Medi-Cal Reimbursement Rates

Speaker Perez expressed deep concern over the Medi-Cal reimbursement rates for providers and facilities, and understood the risk in maintaining these reductions at the 2011 levels in light of the implementation of federal health reform, which is already taxing access to the limit. The Speaker made it clear that addressing the current rate structure, including the "clawbacks," would be one of the priorities of the Assembly Democrat Caucus negotiation package on the Budget.

SRA Fees

When discussing Budget issues where the Assembly and the Governor's proposal might diverge, the Speaker mentioned possible elimination or overhaul of the State Responsibility Area Fee system.

State Fairs

When asked about Fairs, the Speaker suggested the issue be brought to the attention of the appropriate Budget subcommittee.

State PILT

When asked about State Payment In Lieu of Taxes (PILT) monies owed to counties, the Speaker suggested this issue be brought to the attention of the appropriate Budget subcommittee chairs, and stated that he would follow up with Budget staff on the issue.

Williamson Act

When asked about Williamson Act subvention payments, the Speaker stated that there was a lot of interest in the Assembly Democratic Caucus related to the Williamson Act and that he thought there might be an opportunity for some movement on the Williamson Act. Again, he advised speaking with the Chairs of the appropriate Budget committee and sub-committees.

Water Bond

The Speaker stated that he believes there is voter appetite for a revised Water Bond in the area of \$7 billion, and that one that funded essential needs could pass. He also indicated a strong desire to maintain a Water Bond for the 2014 ballot, especially in light of the current drought. The Speaker also mentioned that above-ground storage capacity should remain part of the discussion in crafting a revised bond.

Pre-Kindergarten Program Funding

In response to a specific question about funding for pre-Kindergarten programs, the Speaker reiterated his belief, along with the Assembly Democratic Caucus, a need to put in place funding for pre-Kindergarten programs, commonly referred to as transitional Kindergarten. He indicated that studies show that when providing these children pre-K learning opportunities, there is a much greater chance that these individuals would succeed later in their formal education as well as throughout life.

Update on the Status of California's Fairs

Supervisor Kevin Cann, Immediate Past Chair, Mariposa County, provided an overview of the December meeting regarding the status of Fairs with CDFA Secretary Karen Ross and two top staff officials. Supervisor Cann stated that the meeting went very well, and several ideas emerged that RCRC staff will pursue to help ensure the long term viability of the Fairs. The meeting was also attended by Supervisor Kim Vann, Colusa County and RCRC staff.

Senate Constitutional Amendment 3 – Reimbursement for Brown Act/Public Records Act Mandate Claims

Paul A. Smith presented to the Board an analysis of Senate Constitutional Amendment 3 (Leno) which is slated to appear on the June Ballot. SCA 3 eliminates the requirement of the State to provide local governments with reimbursement for the costs associated with complying with the Brown Act and the Public Records Act. Of particular significant concern is that future amendments or new requirements associated with both Acts would not be reimbursable, allowing the State to significantly expand counties obligations without any corresponding risk to the State that it might have to pay for the expanded mandates.

Staff provided the following recommendation:

RCRC readily supports the Brown Act and the Public Records Act. However, this measure goes beyond placing compliance with these two Acts into the Constitution. The language in SCA 3 is extremely broad and would require compliance not only with current law, but with "any subsequent statutory enactment amending either act, enacting a successor act, or amending any successor act" that contains finding that the enactment furthers the purposes of the section.

Placing the requirement to comply with the Brown Act and the Public Records Act into the Constitution is certainly laudable and RCRC would support this sole endeavor. However, the overly broad language regarding future measures contained within SCA 3 would allow the State to significantly expand counties obligations without any corresponding risk to the State that it might have to pay for the expanded mandates.

Therefore, staff recommends an "Oppose" position on SCA 3.

Supervisor Diane Dillon, Napa County, motioned to approve staff recommendations. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion passes unanimously.

Absent: Placer County, Sutter County, Yolo County

Forest Health Coalition

Cyndi Hillery provided an update on the ongoing efforts of a coalition of key stakeholders working to engage state and federal officials to develop possible solutions to the large-scale problems relating to forest management and its impact upon wildfire prevention and watershed health within California.

In coordination with The Nature Conservancy (TNC), California Forestry Association (CFA), California Farm Bureau Federation (CFBF), California Cattlemen's Association, and the Environmental Defense Fund (EDF), RCRC staff is in the process of developing a brand identity for the coalition, which will include an official name and mission statement. Additionally, staff provided an update on the public efforts of the coalition, which included an opinion-editorial piece on joint comments related to the California Water Action Plan, and the relationship between healthy forests and downstream water supply.

State Legislation

Kathy Mannion discussed Assembly Bill 52 (Gatto) relating to Native Americans and CEQA. Ms. Mannion is currently engaging in multiple meetings with various stakeholders in an attempt to reach an agreement on language that can then be put forward to the author for his consideration.

Ms. Mannion also discussed Assembly Bill 823 (Eggman) relating to agricultural land conservation. Negotiations have been ongoing and significant progress has been made. The author plans to introduce a new bill.

Federal Update

Federal Payment In Lieu of Taxes: Paul A. Smith discussed that while RCRC and other stakeholders aggressively pushed for the federal Payment In Lieu of Taxes (PILT) program to be fully funded through the FY 2014 Omnibus Appropriations Bill, the bill did not include PILT funding. Efforts have now shifted to have federal PILT funding included in the Farm Bill. A multi-year Farm Bill will soon be completed and considered by both houses of Congress.

Mr. Smith also discussed MAP 21, the federal transportation funding program, extension or reauthorization. The groundwork has already begun, however, we are not optimistic.

2014 Water Bond

Kathy Mannion discussed the two primary water bond measures - Senate Bill 42 (Wolk) and Assembly Bill 1331 (Rendon).

SB 42, which is identical to last year's SB 848, will be heard in the Senate Natural Resources and Water Committee on February 11.

Assembly Bill 1331 is currently in the Senate Natural Resources and Water Committee and it will be scheduled to be heard in March.

Bay Delta Conservation Plan

Kathy Mannion reviewed the Bay Delta Conservation Plan (BDCP). The BDCP and its related environmental documents were released in December for public comment. The comment period is 120 days, and there will be 12 public meetings held on the BDCP throughout California this month. RCRC staff is currently reviewing the draft documents, and will be providing comments.

California Natural Resources Agency Safeguarding California Strategy (Climate Adaptation Strategy)

Staci Heaton, Regulatory Affairs Advocate, discussed the current process to update the 2009 California Climate Adaptation Strategy, now called the Safeguarding California Strategy. The revised document looks a lot better than the previous one. Counties are encouraged to pass the document onto appropriate staff and file comments by February 28, 2014.

CalPERS Member Rate Adjustments

Greg Norton recently attended meetings regarding CalPERS member rate adjustments. Actuarial assumptions, including mortality rates, are changing. There are pros and cons to the ramp up options to employer rates. Mr. Norton advised the Board of Directors to take the provided CalPERS reports back to their appropriate county staff for review.

Adjournment

Chair, Supervisor Nate Beason, Nevada County, adjourned the RCRC Board of Directors Meeting at 2:29 p.m.