

**Rural County Representatives of California
Board of Directors Meeting
Thursday, June 12, 2014 – 8:30 a.m.
The Miners Foundry Cultural Center
325 Spring Street
Nevada City, CA 95959**

MINUTES

Call to Order, Determination of Quorum and Self Introductions

Chair, Supervisor Nate Beason, Nevada County, called the meeting to order at 8:32 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
Kim Dolbow Vann	Colusa
John Viegas	Glenn
Rex Bohn	Humboldt
Linda Arcularius	Inyo
Anthony Farrington	Lake
Aaron Albaugh	Lassen
Rick Farinelli	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Geri Byrne	Modoc
Nate Beason	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
Les Baugh	Shasta
Peter Huebner	Sierra
Michael Kobseff	Siskiyou
Larry Munger	Sutter
Bob Williams	Tehama
Debra Chapman	Trinity
Allen Ishida	Tulare
Randy Hanvelt	Tuolumne
Jim Provenza	Yolo
Roger Abe	Yuba

Absent

Merita Callaway	Calaveras
Brian Veerkamp	El Dorado
Michael Kelley	Imperial
David Finigan	Del Norte

John Pedrozo	Merced
Tim Fesko	Mono
Diane Dillon	Napa
Terry Swofford	Plumas

Others in Attendance

Supervisor Richard Forster, Amador County
Supervisor Hank Weston, Nevada County
Supervisor Ed Scofield, Nevada County
Rick Haffey, CAO, Nevada County
Alison Lehman, Nevada County
Eve Diamond, Nevada County
Ken Pimlott, CAL FIRE
Janet Barentson, CAL FIRE
Ed Horton, Placer County Water Agency
Gretchen Bond, Miners Foundry
Howard Arcularius

Staff in Attendance

Patricia Megason, Executive Vice President
Craig Ferguson, Vice President
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, Public Affairs Specialist
Sarah Bolnik, Office Manager, Executive Assistant

Pledge of Allegiance

Approval of Minutes – April 23, 2014

Chair, Supervisor Nate Beason, Nevada County, called for approval of the minutes from the April 23, 2014 Board of Directors Meeting.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the minutes from the April 23, 2014 Board of Directors Meeting. Supervisor Les Baugh, Shasta County, seconded the motion. Motion passes unanimously.

Abstaining:

Supervisor Linda Arcularius, Inyo County; Supervisor Anthony Farrington, Lake County; Supervisor Carre Brown, Mendocino County; Supervisor Anthony Botelho, San Benito County; Supervisor Debra Chapman, Trinity County; Supervisor Jim Provenza, Yolo County

Member County Concerns and Issues

Supervisor Geri Byrne, Modoc County, discussed sustainable forests with the Board of Directors. Modoc County is currently talking to the regional forester as well as the regional economist. They are hoping to host an economic roundtable in the autumn.

Supervisor Michael Kobseff, Siskiyou County, thanked RCRC for their assistance with the "Gray Wolf" letter. Supervisor Kobseff discussed how the Gray Wolf listing by the California Fish & Wildlife Commission will impact Timber Harvest Plans.

Supervisor Kobseff also shared that Siskiyou's last Local Transportation Commission meeting, there was discussion about the Caltrans' 2040 Plan and their concern that funding for projects will be tied to greenhouse gas emissions reductions.

Supervisor Debra Chapman, Trinity County, discussed the need for additional jail construction funding. With the adoption of criminal justice realignment (Assembly Bill 109), the Trinity County jail has been vandalized and destroyed. Trinity is in need of state financial assistance for maintenance and repair of its jail.

Supervisor Rex Bohn, Humboldt County, thanked RCRC for assistance on the Gray Wolf letter.

Supervisor Hanvelt, Tuolumne County, announced the U.S. Forest Service regional meetings in Fresno on Monday night, Tuesday in Bakersfield, and Thursday in Inyo County.

Public Comments

Ms. Gretchen Bond, Executive Director of the Miners Foundry Cultural Center, provided a brief history on the Miners Foundry for the Board of Directors.

Executive Vice President's Report

Patricia Megason, Executive Vice President, welcomed everyone to the meeting. Ms. Megason thanked Chair, Supervisor Nate Beason and all of the Nevada County staff for coordinating a wonderful day touring Nevada County.

Ms. Megason reported on recent regulatory proposals at the California Public Employees Retirement System (CalPERS). Greg Norton, President and CEO, has been meeting with senior CalPERS staff to discuss accounting changes and pensionable compensation.

Ms. Megason reported that on May 29, 2014 Greg Norton, Justin Caporusso, Public Affairs Specialist, and Mary Pitto, Regulatory Affairs Advocate, visited Tulare County. Ms. Megason thanked Supervisor Allen Ishida, Tulare County, for arranging a wonderful tour for the RCRC staff.

RCRC 2013 Audited Financial Statements

Patricia Megason presented the 2013 audited financial statements and information letter for RCRC. Moss Adams LLP, RCRC's independent auditing firm, provided the RCRC

financial statements with an unqualified “clean” opinion and there were no significant matters identified and no audit adjustments were proposed. Moss Adams had presented the financial statements and letter to the RCRC Executive Committee in their capacity as the Audit Committee on May 7, 2014.

Staff Recommendation:

Staff recommends that the Board of Directors review and approve the 2013 audited financial statements and information letter as presented.

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the staff recommendations. Supervisor Jim Holmes, Placer County, seconded the motion. Motion passes unanimously.

2014 Service Agreements and Budget Amendments

Patricia Megason reviewed the service agreement that RCRC annually enters into with California Home Finance Authority (CHF) to provide administrative and program management services. Following staff consideration and consultation with legal counsel, staff is recommending that the agreement with CHF include a performance fee to RCRC based solely on program success.

Staff Recommendation:

Staff recommends that the Board of Directors approve an amendment to the 2014 RCRC budget to increase the revenue budget by a projected \$855,000 to reflect the Performance Fee from CHF effective retroactive to January 1, 2014.

Supervisor Linda Arcularius, Inyo County, motioned to approve the staff recommendations. Supervisor Kim Dolbow Vann, Colusa County, seconded the motion. Motion passes unanimously.

Change to RCRC Corporate Officer Appointment

Patricia Megason reviewed with the Board of Directors how each year in December the Board approves the Corporate Officers for RCRC. With the recent retirement of Karl Dolk, Chief Financial Officer, and the hiring of Lisa McCargar as Chief Financial Officer, a new approval is necessary to approve Lisa McCargar as RCRC’s new Treasurer.

Staff Recommendation:

Staff recommends the Board of Directors take action to confirm the replacement of Karl Dolk with Lisa McCargar as RCRC Treasurer, a Corporate Officer.

Supervisor Les Baugh, Shasta County, motioned to approve the staff recommendations. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion passes unanimously.

Speaker, Ken Pimlott, Director, California Department of Forestry and Fire Protection, CAL FIRE

Chair, Supervisor Nate Beason, Nevada County, introduced Mr. Ken Pimlott to the Board of Directors. Mr. Pimlott discussed the state budget issues, State Responsibility

Area Fees, and Timber Harvest Plans as well as outlining the current state of readiness for this year's ongoing fire season. Mr. Pimlott answered multiple questions from members of the Board of Directors.

2014 State Budget Update

Patricia Megason informed the Board of Directors that the State Constitution requires the 2014-15 State Budget be adopted by the Legislature by Sunday, June 15th. Paul A. Smith, Senior Legislative Advocate, added that the Budget will be adopted on Sunday with the budget trailer bills to follow. As part of the 2014-15 State Budget, Mr. Smith reported on:

- \$500 million in new jail construction funds
- An additional \$200 million will be included for the state's trial court operations
- no additional money has been allocated for fair funding

Mr. Smith urged the Board of Directors to talk to their respective Assessors regarding a pilot program, administered by the Department of Finance, to provide for better collection of property taxes. Three urban counties, three suburban counties, and three rural counties will be selected for a state match.

Mr. Smith discussed that the budget package was likely to include a multi-year extension of a property tax exemption for solar projects. RCRC believes this project should run its course and the exemption not be renewed.

Kathy Mannion, Legislative Advocate, reported that while county payments under the state's Payment In Lieu of Taxes program (PILT) was discussed in Budget Subcommittees, it was not taken up for action. Therefore PILT payments are not on the agenda of the Joint Budget Conference Committee and will not be included in the budget package.

Ms. Mannion also reported on the Budget Subcommittee hearing regarding the Williamson Act. While the discussion was very positive, no action was taken and therefore Williamson Act subventions will not be included in the budget package.

Cyndi Hillery, Legislative Advocate, reported on funding for County Veterans Services Offices (CVSOs) as well as the lack of action on the Medi-Cal reimbursement rate issue.

California's Rainy Day Fund – Assembly Constitutional Amendment 1XX

Paul A. Smith provided an analysis of Assembly Constitutional Amendment 1XX, a proposal to revise California's Rainy Day Fund. ACA 1XX, if adopted by the voters, would place unanticipated/excess funds in a reserve for times of emergency, or budget deficits. This would give the state a financial cushion. RCRC staff argued that while this measure does not have a direct and immediate impact on counties, staff believes having a viable Rainy Day Fund could be beneficial in providing monies to state-

sponsored county programs (i.e. 2011 Realignment) when revenues are lower in certain fiscal years. Thus, staff encourages the Board of Directors to adopt a support position as well.

Supervisor Jim Holmes, Placer County, motioned to approve the staff recommendations. Supervisor Debra Chapman, Trinity County, seconded the motion. Motion passes unanimously.

Ballot Initiative to Alter MICRA

Cyndi Hillery provided an update on the status of the Medical Injury Compensation Reform Act (MICRA) initiative. A ballot initiative to alter MICRA will be on the November 2014 ballot. If passed, MICRA's cap would quadruple, going from \$250,000 to nearly \$1.1 million. Ms. Hillery noted that this would really hurt the counties as employee's health care would cost significantly more money, and liability insurance would also increase. Patients and Providers to Protect Access and Contain Health Costs (PPPACHC) is a coalition already working to defeat this measure. Ms. Hillery suggests that RCRC join this coalition and oppose this ballot initiative, in that RCRC Policy Principles already oppose changes to MICRA.

Supervisor Geri Byrne, Modoc County, motioned to approve the staff recommendations. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion passes unanimously.

EPA – Waters of the United States

Staci Heaton, Regulatory Affairs Advocate, discussed the Environmental Protection Agency's (EPA) proposed rule for what constitutes a "Water of the United States". Ms. Heaton noted that this new rule is being considered for adoption. The EPA will be accepting written comments until October 20th. Ms. Heaton noted that RCRC has joined a coalition and is working with other organizations on potential strategies to alter this rule. The Board of Directors discussed at length issues with Waters of the United States.

First Update to Climate Change Scoping Plan

Staci Heaton gave an update on the Air Resources Board (ARB) and the recent ARB meeting where Supervisor Lee Adams, Sierra County, testified on behalf of RCRC. Mary Pitto noted that RCRC has been working with a coalition to address organics legislation in light of concerns raised by ARB members concerning greenhouse gas emissions involving the disposal of solid waste. Ms. Heaton reported that after several hours of public testimony, the ARB unanimously adopted the proposed update.

Current Water Issues – Groundwater Management

Kathy Mannion reviewed two bills dealing with groundwater management - Senate Bill 1168 (Pavley) and Assembly Bill 1739 (Dickinson). Senate Bill 1168 will be in print on June 17, and will reflect recommendations made by the California Water Foundation. Assembly Bill 1739 will be a 'gut and amend' and will reflect the recommendations made by the Association of California Water Agencies. Both bills will be heard on June 24th. Both Senator Pavley and Assembly Member Dickinson have agreed to be co-

authors of each other's bills. Ms. Mannion stressed the importance of counties maintaining local land-use authority including the issuance of well permits.

Current Water Issues – Water Bond

Kathy Mannion reported on the issues surrounding the water bond discussions. The status is changing constantly. The legislative leadership is pushing to pass a Water Bond before the Summer Legislative Recess. Ms. Mannion reported on the content and status of Senate Bill 848 (Wolk) and Assembly Bill 2686 (Perea) - the two most likely bond vehicles at this point in time. The Governor has not yet weighed in on the discussions, but he is expected to do so shortly after the finalization of the State Budget.

State Legislative Update

Paul A. Smith reported on two bills pertaining to the regulation of medical marijuana: Assembly Bill 1894 (Ammiano), which recently failed passage, and Senate Bill 1262 (Correa). RCRC offered over 100 amendments to AB 1894 and virtually all of them were accepted. Of the two bills, only SB 1262 is moving forward at this time.

Mr. Smith discussed Senate Bill 1219 regarding reinstatement for those members of boards of supervisors that are retired annuitants in the CalPERS system. Mr. Smith gave a full background on the bill. Apparently the issue of providing an exemption to those elected persons lies within the Governor's office and not with the Legislature. RCRC has met with the Governor's office.

Mr. Smith also discussed Assembly Bill 1826 (Chesbro), which institutes mandatory commercial organics recycling. RCRC had advocated for an exemption for counties generating less than 200,000 tons of solid waste per year, however it was summarily rejected by the author since it would exempt 34 counties. The author did accept an exemption threshold for counties with a population of less than 100,000. This includes 23 RCRC counties and represents 2.2% of the solid waste stream. This exemption would last only until 2020, at which time the issue will be revisited. Mr. Smith cautioned the Board that the exemption has already been met with opposition from some solid waste industry representatives.

Kathy Mannion discussed two CEQA bills - Assembly Bill 52 relating to Native Americans and Assembly Bill 543 relating to the translation of CEQA documents. Ms. Mannion also discussed Assembly Bill 2188 relating to permitting and inspecting rooftop solar systems.

Cyndi Hillery reported on Assembly Bill 2066 regarding Special Distribution Fund (SDF) payments for local tribal gaming mitigation.

Federal Legislative Update

Paul A. Smith reported on HR 4272 (Walden) which would require the U.S. Forest Service to meet and confer with county officials when considering Travel Management Rules in national forests. RCRC has sent a letter in support. A hearing in the House Natural Resources Subcommittee occurred a number days ago, and it is unclear when HR 4272 will be further considered.

Cyndi Hillery reported on S 2188 regarding tribal fee-to-trust issues and a *Carcieri* fix and S 1875 and HR 3992 both relating to the Wildfire Disaster Funding Act.

Adjournment

Chair, Supervisor Nate Beason, Nevada County, adjourned the RCRC Board of Directors Meeting at 1:36 p.m.