

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

November 12, 2014 – 9:30 a.m.

Executive Committee Members:

Supervisor Nate Beason, Nevada County
Supervisor Lee Adams, Sierra County
Supervisor John Viegas, Glenn County
Supervisor Kevin Cann, Mariposa County

Supervisor Bob Williams, Tehama County
Supervisor Geri Byrne, Modoc County
Supervisor Diane Dillon, Napa County
Supervisor Randy Hanvelt, Tuolumne County
Supervisor David Rogers, Madera County

Minutes

Call to Order and Determination of Quorum

Chair, Supervisor Nate Beason, Nevada County, called the meeting of the Executive Committee to order at 9:30 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
John Viegas	Glenn
David Rogers	Madera
Geri Byrne	Modoc
Nate Beason	Nevada
Lee Adams	Sierra
Bob Williams	Tehama
Randy Hanvelt	Tuolumne

Absent Members

Kevin Cann	Mariposa
Diane Dillon	Napa

Staff in Attendance

Greg Norton, President and CEO
Patricia Megason, Executive Vice President
Lisa McCargar, Chief Financial Officer
Justin Caporusso, Public Affairs Specialist
Craig Ferguson, Vice President
Kathy Mannion, Legislative Advocate
Cyndi Hillery, Legislative Advocate
Sarah Bolnik, Office Manager

Others in Attendance

None

Approval of Minutes of the July 23, 2014 Meeting

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

Supervisor David Rogers, Madera County, motioned to approve the minutes of the July 23, 2014 Executive Committee Meeting. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed.

Abstaining: Supervisor John Viegas, Glenn County; Supervisor Lee Adams, Sierra County

Member County Concerns

Supervisor Randy Hanvelt, Tuolumne County, thanked everyone who attended the Rim Fire tour. Representatives from RCRC, Yuba, El Dorado and Tulare County were all in attendance.

Supervisor Hanvelt informed the Executive Committee that the State Water Board intends to do a "Grab" which will regulate grazing on public lands. He emailed this to Cyndi Hillery for distribution.

Supervisor David Rogers, Madera County, discussed the water bond fight that has already begun regarding storage. Supervisor Rogers has had a discussion with Supervisor Forster so that CSAC and RCRC can stand united on this issue.

Supervisor Rogers also discussed the Endangered Species Act (ESA) and a lawsuit that occurred in the state of Utah in which a group of citizens sued the ESA.

Chair, Supervisor Nate Beason, Nevada County, informed the Executive Committee that the marijuana nuisance ordinance was defeated in Nevada County. Supervisor Beason reported that this is great news.

Public Comment

None

Patty Mattingly Award

Patricia Megason, Executive Vice President, discussed recommendations for recipients of the 2014 Patty Mattingly Award. Staff recommended Assembly Member Susan Eggman and Cal Fire Chief Ken Pimlott as recipients of the Patti Mattingly Award.

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve staff recommendations. Supervisor David Rogers, Madera County, seconded the motion. Motion passed.

Government Affairs Update

Kathy Mannion, Legislative Advocate, reported on a number of bills. Ms. Mannion informed the Executive Committee that RCRC in coordination with the California Water Foundation, the Association of California Water Agencies and CSAC will be co-hosting three workshops on the topic of governance in connection with implementation of the

Sustainable Groundwater Management Act of 2014. A Save the Date notice will be sent out soon. The workshops will be January 26, 2015 in Glenn County, February 4, 2015 in Tulare County, and February 5, 2015 in Stanislaus County. Additional workshops may be scheduled in the future.

Cyndi Hillery, Legislative Advocate, discussed federal legislation, and that Congress is currently back in session. Ms. Hillery reported on an upcoming Senate Energy and Natural Resources Committee meeting regarding Forestry Bills. The House passed Representative Hastings' H.R. 1526, Healthy Forests Bill; S. 1966, Senator Barrasso's National Forest Jobs and Management Act, as well as Senator Wyden's Bill regarding the Oregon & California railroad lands, are all slated for discussion and possible markup. Also, the Committee will take up S. 1241, involving a land transfer at the Inyo National Forest. A representative from RCRC's federal lobbyists, Van Scoyoc, will be in attendance at the hearing. Ms. Hillery will report relevant action, if any, at the December 10, 2014 Board of Directors Meeting. Ms. Hillery also mentioned that she will be in Washington D.C. in the coming days with the new forestry coalition, the California Forest Watershed Alliance (CAFWA). Meetings are scheduled with USDA Under Secretary Robert Bonnie, staff members from the Department of Interior Water and Science division, staff from Senator Feinstein's office and the Senate Energy and Natural Resources Committee, as well as Representatives LaMalfa, McClintock, Garamendi, Huffman, and Valadao. Some topics of discussion at these meetings will be urging passage of the Wildfire Disaster Funding Act in the lame duck session of Congress, Budget year 15-16 appropriations issues, and how funding for forestry and fire prevention projects will be allocated.

Quarterly Budget and Investment Reports CHF, NHF and RCRC

Greg Norton, President and CEO, presented the Quarterly Investment & Budget Reports and the Cash and Securities Asset Report for the Third Quarter of 2014 (period ending September 30, 2014) for RCRC, CHF and NHF.

2015 Proposed Budget for RCRC

Greg Norton reviewed the 2015 proposed budget for RCRC.

Staff Recommendations

Staff recommends that the RCRC Executive Committee approve the following staff recommendations for presentation to the RCRC Board of Directors:

1. Approve the attached proposed 2015 RCRC Operating Budget.
2. Approve the RCRC contract service fees at the following amounts:
CHF - \$1,461,275; ESJPA - \$46,320; and NHF - \$2,558,900
3. Approve the RCRC contract Performance Fee from CHF based on projected CHF housing program net revenues generated in 2015 in the amount of \$1,150,000.
4. Approve receipt of excess resources transferred from NHF, per the NHF Bylaws, in the amount of \$1.9 million, to be transferred in equal quarterly amounts of \$475,000 beginning January 2015.

5. Approve 2015 member county dues calculation at the levels approved by the Board on June 13, 2012.
6. Approve the attached proposed 2015 payrate schedule.

Supervisor Geri Byrne, Modoc County, motioned to approve the staff recommendations. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

2015 Proposed Budget for CHF

Greg Norton presented the proposed 2014 budget for CHF.

Staff Recommendations

Staff recommends that the RCRC Executive Committee approve the following staff recommendations and direct the CHF Executive Director to make the same recommendations to the CHF Board of Directors:

1. Approve the attached proposed 2015 CHF Operating Budget.
2. Grant the CHF Executive Director the authority to make necessary business decisions and utilize up to \$500,000 per decision outside of the approved operating budget when necessary. Such decisions will be made in consultation with the Vice President, the CHF Board Chair and Vice Chair and reported back to the CHF Board at the next available Board meeting.
3. Grant the CHF Executive Director the authority to proceed with necessary operating decisions due to changes in opportunities, the market, the economy or changing transactional requirements to provide necessary flexibility to effectively and timely implement programs. Such decisions to be made in consultation with the Vice President, CHF Chair and CHF Vice Chair with subsequent ratification by the Board of Directors as necessary.
4. Approve the contract service fee to RCRC in the amount of \$1,454,112 and the contract performance fee of \$1,150,000. These fees contribute to a portion of the compensation for all RCRC employees, including the RCRC President/CEO, Executive Vice President and Chief Financial Officer.

Supervisor David Rogers, Madera County, motioned to approve the staff recommendations. Supervisor Lee Adams, Sierra County, seconded the motion. Motion unanimously passed.

Election of Officers Update

The 2015 RCRC Officers will be elected at the December 10, 2014 Board Meeting. Greg Norton discussed the election process and noted that Supervisor Bob Williams, Tehama County, has submitted a letter of interest for the Second Vice Chair position.

Investment Policy Renewal 2015

Greg Norton reviewed the investment policy for RCRC, CHF and NHF with the Executive Committee. The only revision besides applicable date changes is clarification that the review of security brokers/dealers will only be performed on those that are utilized.

Staff Recommendation:

Staff recommends that the RCRC Executive Committee review and approve the attached draft Investment Policy and take the following additional actions:

1. Direct staff to present the draft Investment Policy to the RCRC Board for adoption;
2. Direct the CHF Executive Director to present the draft Investment Policy to the CHF Board for adoption; and,
3. Direct the NHF President to present the draft Investment Policy to the NHF Board for adoption.

Supervisor Bob Williams, Tehama County, motioned to approve the staff recommendations. Supervisor Geri Byrne, Modoc County, seconded the motion. Motion unanimously passed.

Resolution 15-01: Board Travel Policy Proposed Revisions

Greg Norton reviewed the minimal changes proposed to the Board Travel Policy for 2015.

Staff Recommendation

Staff recommends that the RCRC Executive Committee review and approve the proposed Board Travel Expense Policy, Resolution 15-01, and direct staff to present the Policy to the RCRC Board of Directors for approval.

Supervisor John Viegas, Glenn County, motioned to approve the staff's recommendations. Supervisor Lee Adams, Sierra County, seconded the motion. Motion unanimously passed.

County Visits Update

Greg Norton reported that since the last Executive Committee meeting, staff has made county visits to Nevada, Lake, Shasta, Glenn, El Dorado, Madera, Tuolumne, Trinity, and Sierra Counties. Mr. Norton also reported that RCRC has now reached over 1,000 twitter followers.

Multi-Family Program Investments

Craig Ferguson, Vice President, reported that staff continues to review opportunities for CHF multifamily housing financing in California and addressed the potential benefit of providing subsidy loans to developers on selected projects.

Staff Recommendation:

Staff recommends that the RCRC Executive Committee direct the CHF Executive Director to recommend that the CHF Board of Directors approve a commitment of up to \$5,000,000

for investment in subsidy loans for certain qualified multifamily projects to be issued through CHF with rates and terms to be determined by staff.

Supervisor David Rogers, Madera County, motioned to approve the staff recommendations. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

JPA Agreement Status

Greg Norton reported that to date, 29 Signed CHF JPA Agreements and Resolutions have been received. Mr. Norton reported that a few of the counties had questions regarding the quorum changing in the agreement. In the updated agreement, the quorum is changing from 10 representatives to 12 representatives. Per legal counsel, each JPA determines their specific quorum and it does not have to equal the majority of the members.

Program Updates

Greg Norton provided a summary and update on the various housing programs.

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 Nate Beason, Nevada County, adjourned the meeting of the Executive Committee at 11:48 a.m.