

**Rural County Representatives of California
Board of Directors Meeting
Wednesday, March 14, 2018 – 9:00 a.m.
1215 K Street, Suite 1650 – Board Room
Sacramento, CA 95814**

MINUTES

Call to Order, Determination of Quorum and Self Introductions

Chair, Supervisor Rex Bohn, Humboldt County, called the meeting to order at 9:04 a.m.

A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Lynn Morgan	Amador
Doug Teeter	Butte
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Michael Ranalli	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Michael Kelley	Imperial
Matt Kingsley	Inyo
Jim Steele	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Geri Byrne	Modoc
Dan Miller	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
John Peschong	San Luis Obispo
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Larry Munger	Sutter
Bob Williams	Tehama
John Fenley	Trinity
Kuyler Crocker	Tulare
Sherri Brennan	Tuolumne
Randy Fletcher	Yuba

Absent

Daron McDaniel	Merced
Stacy Corless	Mono

Diane Dillon	Napa
Kevin Goss	Plumas
Les Baugh	Shasta
Matt Rexroad	Yolo

Others in Attendance

Supervisor Miles Menetrey, Mariposa County
Robert Carlson, Mendocino Solid Waste Management Authority
David Teykaerts, California Public Employees' Retirement System
Kelly Fox, California Public Employees' Retirement System
Jamie Pope, California Public Employees' Retirement System
Rene Figueroa, California Public Employees' Retirement System
Dorothy Johnson, California State Association of Counties
Tracy Sullivan, California State Association of Counties

Staff in Attendance

Greg Norton, President and CEO
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Justin Caporusso, Vice President External Affairs
Paul A. Smith, Vice President Governmental Affairs
Mary-Ann Warmerdam, Senior Legislative Advocate
Tracy Rhine, Legislative Advocate
Mary Pitto, Regulatory Affairs Advocate
Staci Heaton, Regulatory Affairs Advocate
Arthur Wylene, Governmental Affairs Counsel
Maggie Chui, Governmental Affairs Coordinator
Santinia Pasquini, External Affairs Coordinator
Sarah Bolnik, Board Relations & Business Development
Layne Frederickson, IT Manager
Elizabeth Jensen, Accountant
Sanjay Lee, Accountant

Pledge of Allegiance

Approval of Minutes – January 17, 2018

Chair, Rex Bohn, Humboldt County, called for approval of the minutes from the January 17, 2018 RCRC Board of Directors Meeting.

Supervisor David Griffith, Alpine County, motioned to approve the minutes as corrected from the January 17, 2018 RCRC Board of Directors Meeting. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passes.

Abstaining: Supervisor Kevin Cann, Mariposa County; Supervisor Jim Holmes, Placer County; Supervisor John Peschong, San Luis Obispo County

RCRC Chair's Report

Chair, Rex Bohn, Humboldt County, welcomed all of the Supervisors to the meeting.

RCRC Resolution 18-03: Establishment of Board of Directors Ad Hoc Advisory Committee on Cannabis Regulation Enforcement

Chair, Supervisor Rex Bohn, Humboldt County, and Paul A. Smith, RCRC Governmental Affairs Vice President, provided an overview of the creation of an RCRC ad hoc advisory committee (Committee) to address cannabis enforcement based on RCRC Member Counties' expressed interest at the January 2018 RCRC Board of Directors meeting. The focus of the Committee would be to review options and tools to better enforce a county's cannabis regulatory scheme as well as address enforcement of a county's ban on commercial cannabis activities.

The RCRC Board of Directors discussed at length the objective and Supervisors appointed to serve on the Committee. In addition to the Supervisors initially proposed to serve on the Committee, Supervisor Jim Steele, Lake County, volunteered to serve on the Committee, to which RCRC Chair Supervisor Rex Bohn consented. The RCRC Board of Directors therefore agreed to the following revised list of members to serve on the Committee:

- Supervisor Matt Kingsley, Inyo County (Chair)
- Supervisor Doug Teeter, Butte County (Vice Chair)
- Supervisor Lee Adams, Sierra County
- Supervisor Geri Byrne, Modoc County
- Supervisor Randy Fletcher, Yuba County
- Supervisor Jack Garamendi, Calaveras County
- Supervisor Jim Steele, Lake County

The Committee will issue a report of findings no later than the January 2019 RCRC Board of Directors meeting.

Recommendation:

Supervisor Rex Bohn and staff recommended that the RCRC Board of Directors approve Resolution 18-03, as revised, to create an ad hoc committee on cannabis enforcement with the members and mission.

Supervisor Randy Fletcher, Yuba County, motioned to approve RCRC Resolution 18-03: Establishment of Board of Directors Ad Hoc Advisory Committee on Cannabis Regulation Enforcement, as revised. Supervisor John Fenley, Trinity County, seconded the motion. Motion passes with all Supervisors present voting "Aye."

Member County Concerns and Issues

Supervisor Dan Miller, Nevada County, shared his concern regarding the 2019 Federal Budget and its proposed elimination of the Community Development Block Grant's vital funding for housing.

Supervisor Michael Ranalli, El Dorado County, expressed his concern with Assembly Bill 2491 (Cooley), relating to vehicle license fee adjustments for new incorporations. Supervisor Ranalli asked if others have similar concerns as it relates to vehicle license fee adjustments.

Supervisor Lee Adams, Sierra County, shared that the delayed reimbursements from the federal government for last winter's road damage in Sierra County will impact the County's General Fund. Supervisor Adams asked if others have similar concerns regarding delayed reimbursements from the federal government.

Supervisor Adams also shared his frustration with the Sierra Club's aggressive media campaign against biomass facilities. Supervisor Adams encouraged RCRC to tell the other side of the story regarding forest health issues and the importance of biomass.

Supervisor David Griffith, Alpine County, shared that due to limited resources, the staff at the Humboldt-Toiyabe National Forest is experiencing difficulty when applying for forest health funds.

Supervisor Doug Teeter, Butte County, noted that Butte County is discussing suing the pharmaceutical industry relating to the opioid epidemic. Supervisor Teeter recommended a book to others titled "Dreamland: The True Tale of America's Opiate Epidemic" by Sam Quinones.

Supervisor Carre Brown, Mendocino County, shared her concern regarding a proposed ballot measure that would create a "split roll" property tax system which would institute different property tax rates on commercially-accessed property.

Supervisor Kuyler Crocker, Tulare County, shared that Tulare County, who operates under "the '37 Act" retirement program, will issue \$250 million for pension obligation bonds. Supervisor Crocker asked if other RCRC Member Counties who operate under the '37 Act need information and data regarding pension obligation bonds.

Supervisor Randy Fletcher, Yuba County, echoed Supervisor Adams' concern regarding the Sierra Club's campaign against biomass facilities.

Supervisor David Rogers, Madera County, in hearing the concerns from others regarding the Sierra Club's position on biomass, offered a contact person to be included for biomass-related issues.

Public Comments

None

President's Report

Greg Norton, RCRC President and CEO, highlighted events on the horizon, including the 2018 RCRC Board of Directors Meeting which will be held in Humboldt County April 25-26, 2018, and the RCRC Annual Meeting which will be held in Napa County September 19-21, 2018.

Mr. Norton reported recent meetings and events attended by RCRC Board Members and RCRC staff, including the National Association of Counties' (NACo) Legislative Conference, the Tree Mortality Task Force meeting, and the California Forest Watershed Alliance (CAFWA) meeting.

Mr. Norton provided an update regarding economic development efforts to provide California rural counties' greater exposure, including preparation for the Select USA Foreign Direct Investment Conference (Conference) later this Summer. Last year, Mr. Norton attended the Conference as part of the California delegation. RCRC has partnered with California State University at Chico's Center for Economic Development to collect RCRC Member Counties' profile and demographics for the Conference.

April 2018 Board of Directors Meeting Update

Justin Caporusso, RCRC Vice President External Affairs, provided an overview of the April 25-26, 2018 RCRC Board of Directors meeting taking place in Humboldt County, the County of the current RCRC Chair.

Chair, Supervisor Rex Bohn, provided a detailed description of the different events that will be taking place in Humboldt County during this two-day event.

The RCRC Board of Directors was asked to RSVP to Santinia Pasquini, RCRC External Affairs Coordinator.

NACo Legislative Conference and Federal Advocacy Update

RCRC Officers and RCRC staff recently attended the NACo Legislative Conference in Washington D.C. and participated in a variety of meetings. RCRC Chair Supervisor Rex Bohn (Humboldt County), RCRC First Vice Chair Supervisor Randy Hanvelt (Tuolumne County), RCRC Immediate Past Chair Supervisor Bob Williams (Tehama County), RCRC's NACo Western Interstate Region Representative Supervisor Kevin Cann (Mariposa County), Supervisor Lee Adams (Sierra County), RCRC Governmental Affairs Vice President Paul A. Smith, RCRC Senior Legislative Advocate Mary-Ann Warmerdam, and RCRC Regulatory Affairs Advocate Staci Heaton traveled to Washington, D.C. on behalf of RCRC.

RCRC's priority issues were the primary focus of meetings on Capitol Hill and with various federal agencies, including: Federal Payments in Lieu of Taxes, wildfire funding reform, the 2018 Farm Bill, and efforts to provide federal financial support on rural transportation/infrastructure projects.

Overall, RCRC leadership reported a successful NACo Legislative Conference and advocacy trip. Mr. Smith shared that the Secure Rural Schools & Community Self-Determination Act (SRS) reauthorization, federal forestry reform, and wildfire borrowing fix are still pending in the Federal Budget process. Mr. Smith noted that SRS reauthorization is precarious and warned supervisors to not include SRS funding in their respective county budgets.

California Tree Mortality Task Force Update

Staci Heaton reported on recent activities of the California Tree Mortality Task Force (Task Force). While the Task Force traditionally meets monthly, the March 2018 meeting was cancelled to allow the Brown Administration time to explore the formation of a new forest health working group.

Ms. Heaton reported that Governor Brown, in his January State of the State address, announced his desire to create a forest health working group that would be tasked with addressing the need for better management of California's forests and forested watersheds. Ms. Heaton shared that it has been indicated that the Task Force will likely be constituted into the new forest health working group. RCRC staff has already had a number of meetings with the Brown Administration to ensure that rural counties impacted by tree mortality, wildfire risk, and other forest management concerns continue to be represented in the new forest health working group.

Lastly, Ms. Heaton directed RCRC Board Members to review the Little Hoover Commission's (LHC) report titled "Fire on the Mountain: Rethinking Forest Management in the Sierra Nevada" in the RCRC Board of Directors' Meeting Supplemental Board Packet. The LHC report provided many conclusions that RCRC has been advocating for decades.

RCRC will continue to update the RCRC Board of Directors on the progress of the new forest health working group.

CalPERS Funding & Sustainability Update

Lisa McCargar, RCRC Chief Financial Officer, provided an overview on the California Public Employees' Retirement System (CalPERS). Ms. McCargar shared that CalPERS senior staff has been invited to provide a presentation to the RCRC Board of Directors on recent changes and discuss the implications to rural counties that participate in CalPERS.

Guest Speakers

David Teykaerts, Stakeholder Strategy Manager, and Kelly Fox, Division Chief of Stakeholder Relations of CalPERS, provided a presentation titled "CalPERS Funding & Sustainability Update" which included facts and figures of retirement benefits, and information on past, present, and the future.

After the presentation, the RCRC Board of Directors and Mr. Teykaerts engaged in a lengthy question and answer period.

Proposition 70 – Greenhouse Gas Reduction Reserve Fund

Staci Heaton provided an analysis of Proposition 70, which would deposit all Cap-and-Trade auction proceeds into a newly created Greenhouse Gas Reduction Reserve Fund (GGRRF) beginning January 1, 2024. A one-time, two-thirds vote will be required for any expenditures from the new GGRRF, where all Cap-and-Trade auction proceeds will remain until a vote is established. Once the vote succeeds, Cap-and-Trade proceeds will be deposited into the Greenhouse Gas Reduction Fund, which would require a

majority vote. Ms. Heaton noted that there is no time limit on how long funds may accumulate in the GGRRF.

Ms. Heaton shared that Proposition 70 would allow the Legislature to re-evaluate the efficacy of continuously-funded programs at the midpoint of the Cap-and-Trade extension, as well as give power to minority members of the Legislature to negotiate increased funding levels for programs that benefit RCRC member counties and changes in Cap-and-Trade related programs and definitions that impact rural communities. Proposition 70 is slated for the June 5, 2018 Primary Election ballot.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position on Proposition 70.

Supervisor Dan Miller, Nevada County, motioned to adopt a “Support” position on Proposition 70 – Greenhouse Gas Reduction Reserve Fund. Supervisor Jim Holmes, Placer County, seconded the motion. Motion passes with all Supervisors present voting “Aye.”

Proposition 71 – Effective Date of State Ballot Measures

Paul A. Smith provided an analysis of Proposition 71, which provides that an initiative state statute, state referendum, or constitutional amendment that is approved by California’s voters takes effect on the fifth day after the Secretary of State (SOS) files the statement of the vote.

Mr. Smith noted that most California voters now elect to vote via vote by mail ballot. These vote by mail ballots are required to be received by the county election offices prior to the close of the polls on Election Day or counted if they are cast via ‘Postmark + 3’. And, because county election officials continue to receive vote by mail ballots for weeks following the election, it is difficult to determine accurate results until the SOS files the statement of the vote. Mr. Smith shared that Proposition 71 would alleviate some of the pressure and immediacy county election officials in California’s rural counties face, such as limited staff and resources, when tabulating and reporting voter results. Proposition 71 is slated for the June 5, 2018 Primary Election ballot.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position on Proposition 71.

Supervisor Gerry Hemmingsen, Del Norte County, motioned to adopt a “Support” position on Proposition 71 – Effective Date of State Ballot Measures. Supervisor Anthony Botelho, San Benito County, seconded the motion. Motion passes with all Supervisors present voting “Aye.”

Proposition 72 – Property Tax Exclusion for Rain Water Capture

Paul A. Smith provided an analysis of Proposition 72, which would allow an exclusion from reassessment for property tax purposes for installing a rainwater capture system.

Specifically, Proposition 72 would add “new construction” to California’s Constitution exemptions list for systems installed on or after January 1, 2019.

Mr. Smith indicated that property tax exclusion for rainwater capture systems are a way to accomplish water conservations goals and incentivize water conservation efforts. Proposition 72 is slated for the June 5, 2018 Primary Election ballot.

Staff Recommendation

RCRC staff recommended the RCRC Board of Directors adopt a “Support” position on Proposition 72.

Supervisor Lynn Morgan, Amador County, motioned to adopt a “Support” position on Proposition 72 – Property Tax Exclusion for Rain Water Capture. Supervisor Denise Carter, Colusa County, seconded the motion. Motion passes with all Supervisors present voting “Aye.”

State Legislation

Staci Heaton reported on the following legislative proposals:

- Insurance
 - There is a legislative “package” consisting of several bills concerning insurance in high wildfire risk areas by Assembly Member Jim Wood, Assembly Member Cecilia Aguiar-Curry, Assembly Member Marc Levine, Senator Bill Dodd, and Senator Mike McGuire.
- Greenhouse Gas
 - Assembly Bill 2551 (Wood), which would create the Forest and Wildland Health Improvement and Fire Prevention Program.
 - Assembly Bill 2645 (Patterson), which would continuously appropriate funds from the Greenhouse Gas Reduction Fund for healthy forest and fire prevention activities.
- Wood Products Usage
 - Assembly Bill 2518 (Aguiar-Curry), which helps expand innovative markets for forest products and mass timber within the State of California.
 - Assembly Bill 2842 (Bigelow), which helps expand the use of innovative wood products within the State of California.
- Assembly Bill 1919 (Wood), which would help end residential price gouging in the wake of a proclaimed or declared emergency.
- Assembly Bill 1954 (Patterson), which removes the sunset for certain timber harvest plan exemptions for activities related to cutting or removing trees in compliance with defensible space laws.
- Assembly Bill 2966 (Aguiar-Curry), which would reduce the 25 percent match required for counties to receive California Disaster Assistance Act funding to 10 percent for counties with an updated Local Hazard Mitigation Plan seeking to receive funds for tree mortality mitigation projects under the Governor’s October 2015 Emergency Proclamation.
- Senate Bill 833 (McGuire), which would expand the State’s alert system to aid in evacuations during emergencies and reimburse local governments for implementation of the system.

Tracy Rhine, RCRC Legislative Advocate, reported on the following legislative proposals:

- Assembly Bill 110 (Assembly Budget Committee), a Budget Trailer Bill that was signed by Governor Brown, included technical amendments to address implementation of the In-Home Supportive Services Wage supplement and amendments to Senate Bill 2 (Atkins) to exempt local governments from the \$75 recording fee per property.
- Housing
 - There are approximately 80 bills that are housing-related. Ms. Rhine will provide a report on the status of these bills as amendments are made.

Mary Pitto, RCRC Regulatory Affairs Advocate, reported on the following legislation:

- Assembly Bill 2727 (Flora), RCRC-sponsored legislation that provides a tax credit to volunteer firefighters for 80 percent of qualified expenses incurred during the taxable year, up to \$1,500. This bill is scheduled to be heard in the Assembly Revenue & Taxation Committee on April 2, 2018.

Ms. Pitto encouraged individual member counties to support AB 2727, and will provide a template letter to RCRC Member Counties.

Mary-Ann Warmerdam reported on the following legislation:

- Water and Disadvantaged Communities
 - Assembly Bill 2050 (Caballero), which would create the Small System Water Authority Act of 2018 and creation of small system water authorities.
 - Senate Bill 998 (Dodd), relates to public water systems requirements that supplies water to more than 200 service connections. As currently written, RCRC has significant reservations which has been communicated to the author.
- Safe and Affordable Drinking Water
 - The Governor's 2018-19 proposed Budget proposed statutory language, consistent with the policy framework of Senate Bill 623 (Monning), introduced in the 2017-18 Legislative Session. SB 623 would establish a program to provide funding to assist eligible communities in securing safe and affordable drinking water. Ms. Warmerdam noted that this is likely the best opportunity to tackle water-quality issues via water fees. RCRC has been engaged in the issue with Governor Brown's office and Senator Monning.

Paul A. Smith reported on the following legislation:

- Assembly Bill 2717 (Lackey), RCRC-sponsored legislation that would require a city to assume from the county complete responsibility for any regulatory function relating to licensees located within the jurisdictional boundaries of the city.
- Assembly Bill 924 (Bonta), of which RCRC have concerns as currently written, would authorize the Governor to enter into agreements concerning cannabis activities on lands of federally-recognized sovereign Indian tribes. Mr. Smith

thanked Supervisor Matt Kingsley, Inyo County, Supervisors Stacy Corless and Fred Stump, Mono County, for their efforts on this issue.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program

Mary Pitto provided an overview on the new Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program, which would implement the State's objectives in reducing criteria, toxic, and greenhouse gas emissions from the agricultural sector. The FARMER Program funds are to be used for grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. In mid-January, the Air Resources Board (ARB) released the FARMER Program Guidelines discussion document, which provided very little funding to the rural air districts. RCRC requested a more equitable distribution of the funds.

The proposed FARMER Program Guidelines were subsequently released in February with a revised formula distribution of the funds based in part upon the share of statewide emissions from farm equipment. Ms. Pitto stated that this resulted in more funds being made available for rural air districts.

ARB will consider approval of the FARMER Program Guidelines at their March 22, 2018 Board of Directors meeting. If approved by ARB, Ms. Pitto noted that it would be important that RCRC Member Counties take advantage and spend these funds to remain considered in future funding cycles. Ms. Pitto recommended that RCRC Member Counties actively support and promote air district applications for the various funding sources.

Environmental Services Joint Powers Authority Update

Mary Pitto provided a summary of the Rural Counties' Environmental Services Joint Powers Authority's (ESJPA) recent activities.

Ms. Pitto stated that ESJPA staff continues to address the implementation of Senate Bill 1383 (Lara, 2016) for organic waste diversion from landfills. Ms. Pitto directed the RCRC Board of Directors to review the SB 1383 proposed regulations comments ESJPA staff prepared on the proposal, which is over-reaching, unattainable, and cost-prohibitive. Ms. Pitto also directed the RCRC Board of Directors to review the Solid Waste Industry Group's (SWIG) letter, of which RCRC participates, regarding SB 1383 drafted proposed regulations.

Ms. Pitto informed the RCRC Board of Directors that in a recent meeting with the California Department of Resources Recycling and Recovery (CalRecycle) staff and SWIG, CalRecycle indicated there would be revisions based upon the comments and that a rural delay in implementation would be considered. The second informal draft is expected to be released on April 2, 2018.

RCRC staff will continue to follow development and engage in issues pertaining to solid waste, and provide updates to the RCRC Board of Directors.

Water Issues Update

Mary-Ann Warmerdam provided an update on a number of issues involving California water policy at the state and federal levels.

Ms. Warmerdam reminded the RCRC Board of Directors of the two bonds with monies identified for water infrastructure: Senate Bill 5 (De León, D-Los Angeles), the Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 and the “California Water Infrastructure and Watershed Conservation Bond Initiative.

Ms. Warmerdam also provided a brief update on the California WaterFix’s twin tunnels project and the California Water Commission’s Proposition 1 funds. RCRC staff will continue to engage on these issues as necessary to ensure the policy concerns of RCRC Member Counties are addressed.

Adjournment

Chair, Supervisor Rex Bohn adjourned the RCRC Board of Directors Meeting at 1:24 p.m.