



To: RCRC Board of Directors
From: Greg Norton
President and CEO
Date: June 24, 2019
Re: RCRC Board Meeting Highlights (June 19, 2019)

Administrative Matters

Approval of the 2018 RCRC Audited Financial Statements – ACTION

Lisa McCargar, RCRC Chief Financial Officer, provided an overview of the RCRC financial statements as of and for the year ended December 31, 2018. The RCRC Board of Directors reviewed and approved the 2018 audited financial statements and communication letter as presented. The memo can be accessed [here](#). The 2018 Report of Independent Auditors and Financial Statements can be accessed [here](#).

Rural County Photo Contest

Justin Caporusso, RCRC Vice President External Affairs, announced the launch of RCRC's 3rd Annual Rural County Photo Contest. Created to promote tourism and local economic development, RCRC will be accepting photo submissions July 1, 2019 through July 31, 2019. The contest is open to the general public, and the winning photograph will be announced on August 12, 2019. The memo and official rules can be accessed [here](#).

RCRC Board of Directors Meeting Survey Results

Following a request from Supervisor Michael Kelley (Imperial), the RCRC Executive Committee directed RCRC staff to develop and administer a survey to RCRC Delegates and Alternates to solicit information on the most suitable day and time of future Sacramento-based RCRC Board of Directors meetings. The results were presented to the RCRC Executive Committee in May 2019. Mr. Caporusso outlined the results of the survey, and RCRC Chair Supervisor Matt Kingsley (Inyo) provided an overview of the RCRC Executive Committee's discussion on the results. Ultimately, the RCRC Executive Committee decided to keep the Sacramento-based RCRC Board of Directors meeting days on Wednesdays. The memo can be accessed [here](#). The survey results can be accessed [here](#).

Guest Speaker

Wade Crowfoot, Secretary, California Natural Resources Agency

Secretary Crowfoot provided an overview of the CNRA and its key priorities – namely, wildfire and water issues.

Governmental Affairs

RCRC Resolution 19-04: Establishment of Board of Directors Ad Hoc Advisory Committee on Homeowners Insurance – ACTION

Paul Smith, RCRC Vice President Governmental Affairs, and RCRC Chair Kingsley discussed the creation of an Ad Hoc Committee on Homeowners Insurance (Committee). The Committee is tasked with considering potential solutions for the increase in homeowners insurance cancelations and non-renewals in high fire risk areas.

The potential solutions include, but are not limited to, introducing additional insurers into rural areas, working with the insurance industry on an insurance risk-reduction model, examining insurance industry risk modeling, re-creating/revising California's Fair Access to Insurance Requirements Plan (FAIR Plan), and working directly with policy advocates, the California Legislature, and the Department of Insurance to explore other options.

The RCRC Board of Directors approved Resolution 19-04 creating an Ad Hoc Committee on Homeowners Insurance represented by the following members:

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|-------------------------------------|----------------------------|
| 1. Sherri Brennan (Tuolumne; Chair) | 6. Randy Fletcher (Yuba) |
| 2. Bob Williams (Tehama) | 7. Dan Miller (Nevada) |
| 3. Lee Adams (Sierra) | 8. Brian Oneto (Amador) |
| 4. Kevin Cann (Mariposa) | 9. Lori Parlin (El Dorado) |
| 5. Diane Dillon (Napa) | |

The Committee shall issue a report of findings no later than the August 2020 Board of Directors meeting. The memo can be accessed [here](#). The Resolution can be accessed [here](#).

Forest Management and Wildfire Update

Staci Heaton, RCRC Regulatory Affairs Advocate, discussed the efforts currently underway in the Legislature and various state and federal agencies to address California's persistent catastrophic wildfire events. These efforts include work being conducted by the Commission on Catastrophic Wildfire Cost and Recovery, the recently-created Senate Select Committee, and the Forest Management Task Force, as well as updates on homeowners insurance, and other forest-related activities. The memo can be accessed [here](#).

2019-20 State Budget Update

Mr. Smith and members of the Governmental Affairs team provided an initial analysis of the 2019-20 State Budget Package, which at the time of the meeting remained incomplete. Key issues and changes for RCRC member counties include:

- Continues to provide \$644,000 for the State's Payment in Lieu of Taxes Program for 2019-20;
- Provides an additional \$87.2 million to assist counties in replacing antiquated voting systems;

- Provides more than \$1.3 billion in Cap-and-Trade revenues for various greenhouse gas reduction programs, including \$200 million for forest health and wildfire prevention projects pursuant to 2018's Senate Bill 901 (Dodd), and \$25 million for organics diversion programs;
- Provides \$100 million from the Greenhouse Gas Reduction Fund, and \$30 million from the General Fund to establish the Safe and Affordable Drinking Water program. In addition, provides \$3.4 million to the State Water Resources Control Board from the General Fund for administrative start-up costs. The framework of the fund will be established in a yet-to-be-determined trailer bill;
- Includes more than \$300 million for disaster preparedness, response and recovery activities, including local assistance funds for recovery from the Camp Fire and other 2018 and 2017 wildfires, enhanced emergency response support for the California Department of Forestry and Fire Protection (CAL FIRE) and California Office of Emergency Services (CalOES), and funding for repositioning of state and local government resources that are part of the statewide mutual aid system;
- Provides \$75 million to CalOES for state and local preparation and response related to Public Safety Power Shutdown actions initiated to reduce the risk of utility-initiated wildfires during severe weather. Funding will likely support installing back-up power at CAL FIRE and CalOES facilities, local planning and training, and establishing community centers with backup power and air conditioning;
- Includes \$650 million in one-time funding to assist local governments in addressing homelessness, though detailed funding allocation methodology is not specified; and,
- Includes a \$750 million one-time appropriation to the California Department of Housing and Community Development to assist local governments with meeting Regional Housing Need Assessment goals. Specific allocation methodology will be outlined in a yet-to-be determined trailer bill.

The memo can be accessed [here](#). RCRC's preliminary analysis of the 2019-20 State Budget Package can be accessed [here](#).

Legislative Committee

Senate Bill 153 (Wilk) – Industrial Hemp

Mr. Smith provided an overview of Senate Bill 153 (Wilk), which seeks to construct a more robust state regulatory structure for the cultivation and testing of industrial hemp. Specifically, SB 153 revises the definition of industrial hemp to mean an agricultural product, expands the registration requirements to apply to growers of industrial hemp for noncommercial as well as commercial purposes, and imposes new requirements to county agricultural commissioners for the handling and transmittal of registration information to the California Department of Food and Agriculture (CDFA).

RCRC has been engaged with Senator Wilk's office as well as SB 153's sponsors and has requested that SB 153 be amended to do the following:

- More clearly recognize and protect local land use control;
- Narrow the definition of "established agricultural research institution" to conform to federal law;

- Clarify CDFA's regulatory authority to ensure that California law complies with the 2018 Farm Bill; and,
- Make additional technical and clarifying revisions.

The memo can be accessed [here](#).

Update on Senate Bill 182 (Jackson) – Planning and Zoning: Wildfire

Tracy Rhine, RCRC Legislative Advocate, provided an update on Senate Bill 182 (Jackson), which seeks to establish a structure for development, permitting, and land use decisions in Very High Fire Risk Areas (VHFRA). The current version of SB 182 is the result of significant pressure from the Legislature to increase threshold requirements for local governments to approve housing developments in the VHFRA. Additional pressure from legislators concerned with the possible exacerbating effects of SB 182 on the state's housing shortage has resulted in numerous revisions to the Regional Housing Need Allocation (RHNA) provisions of the bill. Specifically, amendments have been made to weaken the ability of a Council of Government (COG) or the Department of Housing and Community Development (HCD) to reallocate portions of RHNA to areas that pose less risk to life and safety from catastrophic wildfire.

Though RCRC staff continues to negotiate the requirements of the bill in an effort to create reasonable public policy that maintains local land use control while also recognizing the need to mitigate risk through appropriate development planning in fire prone areas of the state, it is imperative that SB 182 contain both RHNA relief for affected jurisdictions and funding for the increased planning mandates of the bill. The state must have a holistic policy conversation about the obligations of local governments to zone for increased housing production in areas of the state that pose significant risks to residents, especially those that require access to very-low and low income housing options. The memo can be accessed [here](#).

Federal Legislative Update

Mr. Smith provided an update on a number of issues being addressed at the federal level, including cannabis banking, disaster aid, rural broadband, rural call completion, Federal Payments in Lieu of Taxes (PILT), Secure Rural Schools (SRS), fiscal 2020 appropriations, and infrastructure. The memo can be accessed [here](#).

Regulatory Committee

Environmental Services Joint Powers Authority Update

Ms. Heaton provided a summary of the Rural Counties' Environmental Services Joint Powers Authority's (ESJPA) recent activities, including updates on Senate Bill 1383 Short-Lived Climate Pollutants regulation, Per- and Polyfluoroalkyl Substances (PFAS) Investigatory Orders, Storm Water Industrial General Permit, Water Quality Fees, the Used Oil Payment Program, and the Tire Amnesty Grant Program. The memo can be accessed [here](#).

California Public Utilities Commission Wildfire Proceedings Update

Ms. Heaton and Leigh Kammerich, Regulatory Affairs Specialist, provided an update on two California Public Utilities Commission (CPUC) proceedings impacting how investor-owned utilities (IOUs) engage with the public and local agencies on wildfire hazard mitigation and the de-energization of power lines to prevent high severity wildfires.

RCRC has filed comments on two plans. The memo can be accessed [here](#). RCRC's comments to CPUC for Proposed Guidance Decision for 2019 Wildfire Mitigation Plans can be accessed [here](#). RCRC's comments to CPUC on Decision for Investor-Owned Utilities Approval of 2019 Wildfire Mitigation Plans can be accessed [here](#).

Water and Natural Resources Committee

Water Issues Update

Mary-Ann Warmerdam, RCRC Senior Legislative Advocate, provided an update on a number of issues involving California water policy at the state and federal levels, including the Bay-Delta Water Quality Plan, the Sustainable Groundwater Management Act, and California WaterFix. The memo can be accessed [here](#).

Please refer to the Board Packet and Supplemental Packet for further details related to the items above, as well as all items covered during the June 2019 RCRC Board of Directors meeting. The June 2019 Board Packet can be accessed [here](#).