

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE
July 27, 2018
via conference call (800) 867-2581 code: 7500508#

M I N U T E S

1. Roll Call

OFFICERS

Leticia Perez, President
Virginia Bass, 1st Vice President
Lisa Bartlett, 2nd Vice President

ADVISORS

Bruce Goldstein, Sonoma County Counsel

SUPERVISORS

Lee Adams, Sierra County
Carole Groom, San Mateo County
Scott Haggerty, Alameda County
Kelly Long, Ventura County
Bruce McPherson, Santa Cruz County
Leonard Moty, Shasta County
Ed Scofield, Nevada County
Steve Worthley, Tulare County

CSAC EXECUTIVE STAFF

Graham Knaus, Executive Director
Darby Kernan, Deputy Executive Director, Legislative Services

2. Legislative Update

a. Wildfire Liability

Staff discussed the substantial efforts around wildfire liability and the challenges that have impacted northern and southern California counties devastated by the 2017 fires and debris flows. CSAC held a press conference in Sonoma County to push this issue in anticipation of a newly established Wildfire Conference Committee. The committee will lead discussions around Inverse Condemnation, Eminent Domain, and fire-related debt securitization. Governor Brown has proposed a change to Inverse Condemnation, tasking judges with determining negligence and appropriating responsibility regarding wildfires caused by utilities. With this proposal, any wildfires caused by utility companies would need to be proven, and damages would need to be argued in court to determine negligence. Doing so would have the practical effect of shifting the burden of proof from utilities to counties and communities, even in cases of negligence, resulting in expensive and lengthy litigation. CSAC has taken an opposed position to any changes on Inverse Condemnation to protect counties from incurring liability, and is continuing to work on potential solutions with the legislature and Governor. Assistance from Counties will be needed given the complexity of this issue and its politics. The legislature is proving to be tricky, especially around evolving dynamics relating to PG&E and a lack of understanding on this complex issue. CSAC will continue to support efforts by both the legislature and governor to focus on safety and other alternatives to addressing the causes of wildfires, while remaining opposed to any changes involving Inverse Condemnation.

3. US Communities Program Update

Staff presented a financial proposal relating to US Communities, a pooled purchasing program that allows counties to save on purchases while also providing revenue to the CSAC FC. The CSAC Executive Director and CSAC FC CEO sit on the national board, comprised on 9 total members. OMNIA Partners, a private organization that manages operations of US Communities, has proposed a buyout of all of the national sponsors. The proposal would give us 7 years of our highest annual revenue in exchange for a 4 year non-compete agreement, prohibiting us from partnering with or endorsing any other pooled purchasing program. The proposal is likely to be supported by all other national sponsors and provides a good transition opportunity for the CSAC FC to develop other business lines. This would be a one-time buyout of \$10.6 million in revenue and would remove approximately \$1 million from the CSAC budget on a going forward basis. The CSAC FC Board approved moving forward on the buyout immediately prior to this call. The CSAC FC remains committed to its \$4.1 million contribution to CSAC and will use some of the funds to ensure continued stability within the CSAC budget.

Motion and second to authorize CSAC / CSAC FC to accept the buyout as proposed by OMNIA Partners. Motion carried unanimously.