

CALIFORNIA STATE ASSOCIATION OF COUNTIES
 BOARD OF DIRECTORS
 September 3, 2015
 Capitol Event Center, Sacramento

MINUTES

Presiding: Vito Chiesa, President

1. ROLL CALL

Alameda	Keith Carson	Placer	absent
Alpine	Terry Woodrow	Plumas	Terry Swofford
Amador	Forster/Boitano	Riverside	absent
Butte	absent	Sacramento	Susan Peters
Calaveras	absent	San Benito	Margie Barrios (audio)
Colusa	Kim Dolbow Vann	San Bernardino	James Ramos
Contra Costa	Gioia/Mitchoff	San Diego	Roberts (audio)/Cox
Del Norte	David Finigan	San Francisco	vacant
El Dorado	Ron Mikulaco (audio)	San Joaquin	Bob Elliott
Fresno	Henry Perea	San Luis Obispo	absent
Glenn	John Viegas (audio)	San Mateo	Carole Groom
Humboldt	Virginia Bass	Santa Barbara	Doreen Farr (audio)
Imperial	absent	Santa Clara	absent
Inyo	Jeff Griffiths (audio)	Santa Cruz	Bruce McPherson
Kern	Leticia Perez (audio)	Shasta	Leonard Moty
Kings	Doug Verboon (audio)	Sierra	Lee Adams
Lake	absent	Siskiyou	Ed Valenzuela
Lassen	Jim Chapman	Solano	Linda Seifert
Los Angeles	absent	Sonoma	Efren Carrillo
Madera	Tom Wheeler	Stanislaus	Vito Chiesa
Marin	absent	Sutter	Larry Munger
Mariposa	John Carrier	Tehama	Robert Williams
Mendocino	Carre Brown	Trinity	absent
Merced	Hubert "Hub" Walsh (audio)	Tulare	Steve Worthley
Modoc	Jim Wills (audio)	Tuolumne	Randy Harvelt
Mono	absent	Ventura	Kathy Long (audio)
Monterey	Fernando Armenta (audio)	Yolo	Jim Provenza
Napa	Diane Dillon	Yuba	Roger Abe
Nevada	absent	Advisors:	Charles McKee & Rick Haffey
Orange	Lisa Bartlett (audio)		

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of May 28, 2015 were approved as previously mailed.

3. CSAC CORPORATE PARTNERS REPORT

Virginia Williams of CGI addressed the Board of Directors regarding IT services they provide to local governments in California. They specialize in IT services related to financial management, tax, revenue and collections, health and human services, enterprise resource planning and transportation. CGI's IT solutions create operational efficiencies while reducing costs.

4. CALIFORNIA TRANSPORTATION COMMISSION'S ROAD CHARGE EFFORT

In 2014, SB 1077 was signed into law. The bill directed the California Transportation Commission (CTC) to establish a Technical Advisor Committee (TAC) to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax system. The bill also requires the TAC to report recommendations to the California State Transportation Agency (CalSTA), which will implement the pilot program by January 2017.

Jim Madaffer, Commissioner of the CTC, presented a PowerPoint titled "Road Charge and the Future of Transportation." He indicated that gas tax revenues have been reduced due to fuel efficiency and improved technology. Work is currently underway to support a pilot project that would include individuals, households, businesses, and at least one government agency. A 15-member TAC is examining all dimensions of a road charge, such as privacy protection, technology alternatives, revenue sustainability, equity implications, environmental sustainability, out-of-state travelers, communications and public outreach, and organizational framework. No decision to move forward with a full-scale permanent road charge program will be made without public participation, input from stakeholders and approval from the Legislature. Meetings will be held throughout the state in the coming months to gather input.

5. CSAC STRATEGIC PLAN: VISION, MISSION & VALUES STATEMENTS

Under the direction and leadership of the Executive Committee and Board of Directors, CSAC is working through a strategic planning process. A critical component of the process is to ensure the association's Vision and Mission statements are updated to align to current priorities.

Staff presented draft Vision, Mission and Value statements for Board of Directors approval, and noted that the entire strategic plan will be brought to the Board for consideration in December. The statements were approved by affirmation.

6. FEE TO TRUST REFORM LEGISLATION

On July 28, the US Senate Committee on Indian Affairs (SCIA) Chairman John Barrasso introduced legislation that would overhaul the Department of the Interior's process for taking Indian fee land into trust. The bill includes a series of reforms spearheaded by CSAC, which has been at the forefront of fee-to-trust discussions on Capitol Hill and closely involved in the drafting of the Barrasso measure.

CSAC previously sent a letter in support of the *Interior Improvement Act* (S. 1879). Staff requested that the Board of Directors reaffirm support of the bill and direct staff to seek amendments to the bill as outlined in the briefing materials. Concern was expressed by some Board members about a number of provisions contained in the bill.

Motion (Dillon) and second (Williams) to take a 'Support if Amended' position on S. 1879. Motion carried – 22 in favor/18 opposed.

Staff was directed to convey CSAC's position to Senator Barrasso. President Chiesa referred the item to the CSAC Indian Gaming Working Group to provide staff with direction as they continue to seek amendments.

7. TRANSPORTATION AND INFRASTRUCTURE SPECIAL SESSION

Since the Governor called the transportation and infrastructure special session in June, both houses of the Legislature have formed special session committees and held informational hearings on transportation funding needs. Several transportation bills have been introduced and were listed in the briefing materials. Staff outlined CSAC's existing transportation policy principles which were also contained in the briefing materials. CSAC staff is working on grassroots activities and local media events. Supervisors were urged to continue to engage their delegation over the remaining weeks of the legislative session to impart the need for a comprehensive funding fix that includes county roads.

Staff announced that the Governor is expected to release his Transportation Funding proposal today, which includes spending an additional \$3.6b on fixing California's streets, roads, bridges and highways. The funds would be split between the state, local governments and transit agencies. The Governor's plan must still make its way through the legislative process, where new leadership has been elected in three of the four caucuses during the final weeks of the legislative session.

8. PROPOSITION 218: STORMWATER/WATER CONSERVATION INITIATIVE

Last year, a coalition of statewide organizations came together to develop a Constitutional Amendment and ballot measure to fund stormwater services. Currently, the California Constitution (Prop. 218)) requires stormwater agencies to receive voter approval to establish or increase rates to fund capital and operational needs.

The coalition has expanded its efforts to provide funding flexibility for stormwater services to include conservation rates and lifeline rates, which would require amending Proposition 218. This new legislative scope requires a different approach which is being led by a subset of the larger coalition which includes the executive directors and staff from CSAC, League of California Cities, Association of California Water Agencies (ACWA), and the California Water Foundation (CWF). This smaller coalition contracted with a marketing research firm to conduct a survey of California voters to assess voter receptivity to amending Proposition 218.

Brandon Castillo presented a PowerPoint regarding the results of a feasibility survey on the proposed "California Stormwater" ballot measure. The conclusions of the survey indicated that: voters are concerned about the problem of stormwater, and the potential for it contaminating critical water supplies; there is a strong desire to fund projects to treat and capture stormwater to protect water quality and increase water supplies; voters strongly favor allowing local governments to implement conservation pricing to promote conservation, and also favor subsidies for low-income consumers; and there is considerable opposition to eliminating Prop. 218's vote requirement to raise fees for stormwater capture and treatment.

Staff indicated that, given the results of the survey, the coalition is now considering an alternative method of funding water and sewer services, including stormwater and flood protection, that would not involve a direct challenge of Proposition 218. The proposal would involve amendments to Article X of the California Constitution (water), whereby a local agency would be able to assess a fee or charge to provide water or sewer services, with sewer service defined to include stormwater and flood protection. In addition, CSAC, the League of Cities, ACWA, and CWF have decided to move forward with submitting the proposed Article X amendment to the Attorney General for Title and Summary. If they are successful in obtaining a favorable Title and Summary, more polling will be done to determine public support. A decision to move forward with a ballot measure via the legislative process will likely not occur until early next year and will be highly dependent upon the results of the polling.

9. CSAC FINANCE CORPORATION UPDATE

The CSAC Finance Corporation will be holding its annual fall Board meeting in two weeks. Staff distributed a summary sheet of the programs offered through the Finance Corporation. The CSAC Executive Committee recently appointed James Erb, San Luis Obispo County Auditor-Controller, to serve on the Finance Corp. Board of Directors. Nominees to fill the CAO/CEO vacancy on the Board will be brought forward to the Executive Committee in the next few weeks.

10. HEALTH SPECIAL SESSION UPDATE

The Governor declared a special session on health care financing issues in June for the purpose of acting upon legislation necessary to enact permanent and sustainable funding from a new managed care organization tax and/or alternative fund sources. He is seeking at least \$1.1b in funding to stabilize the state's General Fund costs for Medi-Cal. The top priority for the Governor and Legislature is to authorize a new Managed Care Organization (MCO) tax to help fund Medi-Cal. Staff announced that 30 bills have been introduced, but little progress is being made.

11. MEDICAID WAIVER UPDATE

California is in the midst of negotiating a renewal to its existing "Bridge to Reform" Medicaid Section 1115 Waiver. The Department of Health Care Services (DHCS) submitted the waiver renewal to the Centers for Medicare and Medicaid Services (CMS) in March and negotiations between DHCS and CMS began earlier this summer. California's existing Medicaid Section 1115 Waiver will expire in October 2015 and California is seeking \$17b over the next five years, which is \$7b more than received under the existing waiver. DHCS indicates that CMS is committed to completing the waiver by November 2015. Once more is known about the CMS financing discussions with California, counties may need to engage on a federal and state communications and outreach strategy. The Legislature remains interested in working with the Brown Administration to enact statutory changes necessary to implement a new waiver. However, timing remains a challenge. If sufficient information is not available prior to the Legislature's departure on September 11, additional legislation could be contemplated in January 2016.

12. CSAC OPERATIONS AND MEMBER SERVICES UPDATE

Staff reported that CSAC had a strong fiscal year in 2014-15 and will close the year with a healthy fund balance. Planning is underway to the 2015 annual conference in Monterey, December 1-4. A panel of 15 judges met yesterday to select the 2015 CSAC Challenge and merit Awards. These awards are presented annually to spotlight the most innovative, cost-effective programs developed by California counties. There were 255 entries this year, and the following counties received awards: Amador, Los Angeles, Orange, Riverside, San Diego, San Mateo, Santa Cruz and Tuolumne. The CSAC Institute will be opening a satellite location in Merced County next week. Discussions are taking place with Contra Costa County to place a satellite location there.

13. INFORMATION ITEMS

CAOAC President Rick Haffey announced the creation of a CAO/CEO Distinguished Service Award, which is intended to be given to a CAO/CEO who has shown exemplary work and has set an example for cities, counties and the state. Board members were encouraged to nominate their CAO/CEOs. The award will be presented during the CSAC annual conference.

Updates on the Institute for Local Government (ILG) and the CSAC Litigation Coordination Program were contained in the briefing materials.

Meeting adjourned.