

**ENVIRONMENTAL QUALITY POLICY COMMITTEE
HIGHLIGHTS**

Friday, January 20, 2017

League of California Cities, 1400 K Street, 3rd Floor, Sacramento, CA

ATTENDANCE

Members: O'Brien, Richard (Chair); Rosenthal, Laura (V.Chair); Berstein, Allan; Briggs, Bryan; Butt, Tom; Canavan, Jon; Carlton, Cat; Carney, Kendra; Clark, Margatet; Cleveland, Stanley; Cole, John; Downs, Kathryn; Eklund, Pat; Emdee, Laura; Folendorf, Amanda; Genis, Sandra; Grisgby, Daryl; Grossi, Dana; Holland, Bill; Holstine, Clay; Jacob, Matthew; Lamson, Lori; Layba, Mina; Lee, Wayne; Leon, Rey; Lyman, Greg; Masson, John; Mejia, Anthony; Mendes, Justin; Mendoza, Jennifer; Mohler, Marjorie; Moyer, George; O'Connor, Pam; Overholt, June; Pirnejad, Peter; Pollock, David; Quinto, Gabriel; Rapp, Lisa Ann; Rojas, Joel; Rust, Don; Stallard, Tom; Su, Mary; Summers, Matthew; Toms, Maureen; Turner, Mireya;

League Partner: France, Emily; Kindelberger, Mark

Staff: Erin Evans-Fudem

I. State Budget and Issues Briefing

The January 2017 Policy Committee meetings began with a general session briefing. The League's new Executive Director, Carolyn Coleman welcomed the attending members to the first policy committee meetings of 2017 and expressed her delight to begin her service as Executive Director. She then provided a recap of her recent and productive meetings with new and veteran Legislators. Director Coleman then introduced Deputy Executive Director, Legislative Director Dan Carrigg to discuss the League's 2017 Strategic Goals.

Mr. Carrigg briefed the audience on the main issues the League is facing this year 1) affordable housing, 2) responses to homelessness, 3) transportation funding, and 4) marijuana regulation reconciling. Mr. Carrigg then introduced Michael Coleman, the League's fiscal policy consultant, to discuss the Governor's January budget.

Mr. Coleman gave a short PowerPoint presentation on the 2017 January Governor's budget and how it impacts cities' finances. For more information about the impacts of the budget on cities, go to his website [here](#).

Mr. Carrigg briefly touched on the lack of funding for affordable housing in the budget and how that would be a major issue for the League this year. He also discussed the uncertainty California faces in regards to the new Presidential administration. If the Affordable Care Act is repealed, that would mean a multi-billion dollar exposure to the budget. Then Mr. Carrigg introduced the League's lobbyists to discuss their respective issue areas big topics. First, he introduced Ronald Berdugo, League Legislative Representative to discuss transportation.

Mr. Berdugo discussed the dire situation local streets and roads are in and need to continue efforts to realize a transportation-funding package. The Governor's budget only allocates \$4 billion annual to transportation which would not sufficiently maintain California's roads. Mr. Berdugo stated that there are two legislative proposals, AB 1 and SB 1, which will both generate \$6 billion dollars for transportation annually. The League thanked Senator Beall and Assemblymember Frazier for being champions on this issue and supports both AB 1 and SB 1. Find our recent analysis [here](#).

Mr. Berdugo urges all members to submit letters of support for AB 1 and SB 1. A template can be found here: [AB 1 \(Frazier\)](#) and [SB 1 \(Beall\)](#).

Jason Rhine, League Legislative Representative, focused in on the housing affordability and availability challenges throughout the state. Mr. Rhine noted that housing legislation is a high priority for the Legislature and the League this year. Members are encouraged to be active in advocating for legislation that will help local governments address their housing challenges while preserving appropriate local control functions. Amongst the helpful measures are SB 2 (Atkins) and SB 3 (Beall). All members are urged to submit letters of support for SB 1 and SB 2. Templates can be found here: [SB 2 \(Atkins\)](#) and [SB 3 \(Beall\)](#).

Erin Evans, League Legislative Representative, highlighted evolving environmental and community issues that will be front-and-center in 2017. The cap-and-trade program will continue to be in-focus as lawmakers seek to extend its authorization beyond 2020 in the midst of an ongoing legal battle over its constitutionality. In addition, state regulatory bodies will continue to draft and roll out a revised AB 32 Scoping Plan. Further, drought regulations will be a hot topic as the yearly rainfall numbers continue to climb and replenish water resources. Amongst the many issues, two new bills to authorize a park bond, SB 5 (De León) and AB 18 (E. Garcia), have been introduced and reforms to the California Beverage Container Recycling program are being negotiated.

Tim Cromartie, League Legislative Representative, updated members on the continued advocacy for comprehensive drone regulations that provide local control. Drone measures that seek to preempt local ordinances will likely return this legislative session. On the topic of public safety, members should be aware of legislation seeking to amend the list of violent offenses as it relates to the provisions of Proposition 57, passed this past November, which provides for expanded parole considerations and increased rehabilitation programming for non-violent offenders. In addition, recreational marijuana will continue to receive regulatory attention as state and local officials prepare for the implementation of Proposition 64, the Adult Use of Marijuana Act. Officials will work to reconcile new recreational laws with existing medical marijuana regulations.

Dane Hutchings, League Legislative Representative, turned member's attention to recent actions taken by the CalPERS Board in December 2016 to lower the rate of expected investment returns, from 7.5 percent to 7 percent over three years. This action will translate to significant increases in required city contributions toward normal costs and unfunded liabilities for future benefits. The decision was made upon finding that the fund's negative cash flow and extremely optimistic investment return targets pose a significant risk to long-term sustainability. Resources on how much your city's contributions will increase can be found on the [League's Pension Information Center webpage](#). On the topic of labor legislation, Dane Hutchings highlighted AB 5 (Gonzalez Fletcher), a measure that seeks to require employers to first offer any additional hours of work to existing nonexempt employees before subcontracting. This measure has received opposition from the employer community and a "job killer" title from the California Chamber of Commerce.

II. Welcome and Introductions

Chair O'Brien welcomed Committee members and provided an introduction.

III. Public Comment

No public comment.

IV. Overview of Parliamentary Procedure and Roberts Rules

This was an informational item presented by the Chair as an agenda attachment. Staff highlighted some of the key provisions and procedures the committee will follow.

V. Committee Orientation

This was an informational item presented by the Chair as an agenda attachment. Staff highlighted some of the items such as the role of staff and the importance of Committee member involvement.

VI. Review of Existing Policy & Guiding Principles

League staff explained the purpose and role that the existing policies and guiding principles play in the League taking action on legislative and regulatory proposals. This document is updated every two years (next edition is in March 2018) to reflect past action in support or opposition of proposed policies.

Committee members requested changes to some provisions of the existing policy document, as well as pointed out a lack of policy in other areas. There was discussion about the issue of reimbursement of litigation expenses in CEQA lawsuits, local control of community choice aggregation systems, policy and previous League work on stormwater mandates, and the Delta water conveyance.

The committee created four subcommittees to consider changes to existing policy and bring proposed changes to the full committee. The four subcommittees include CEQA, stormwater, community choice aggregation, and the Delta water conveyance.

Staff explained that League policy has been developed over the course many years of policy committee and board direction. The subcommittees will review existing policy and propose changes to the full committee for a vote during the March and June meetings. Staff explained that any proposed changes will be reviewed by the board.

Committee members also requested future presentations at policy committee meetings from the Public Utilities Commission related to utility rate setting and Senator Bob Hertzberg related to stormwater.

VII. League Strategic Goals for 2017

This was an informational item on the League's strategic goals presented by the Chair as an agenda attachment. The Chair explained the collaborative process used to arrive at the goals in a joint meeting of officers and directors of the divisions, departments, diversity caucuses, policy committees and board of directors.

VIII. 2017 Draft Work Program

Chair O'Brien announced and the committee agreed that the work of the four subcommittees to review existing League policy is the committee's work program.

IX. Making Water Conservation a California Way of Life

Speaker: Erik Ekdahl, Director of the Office of Research, Planning and Performance, State Water Resources Control Board (Water Board)

Mr. Ekdahl made a presentation to the committee related to the drought and water conservation. Ekdahl discussed the emergency drought regulations that are currently in effect in the state as well as the Water Board's staff recommendation that these regulations be continued for the next

few months. On February 8, the Water Board will consider a proposed resolution amending and readopting drought-related emergency regulations for urban water conservation to implement Executive Order B-29-15, B-36-15 and B-37-16.

Mr. Ekdahl also discussed the recently released report “Making Water Conservation a California Way of Life” and the plan that the Water Board develop a framework. The Water Board expects to release a draft framework for water conservation in late January or early February. The framework may require legislative authority.

Mr. Ekdahl made himself available for questions. In response to committee member questions related to water conservation, Ekdahl notes the following:

A potential framework for further water conservation is not a one-size-fits-all approach; it would be a local formula considering the landscape and local evapotranspiration to scale for local climates and housing stock.

Currently local suppliers enforce regulations and this enforcement mechanism is proposed to become permanent.

The framework for permanent regulations will allow for planning and annual assessments to consider other ways to conserve.

The Water Board is aware of the issue of tree loss associated with the prohibition of watering on public medians and will work to address this issue.

The Water Board is aware that for some local jurisdictions, conserving water can be costly and prevent the local government from paying back what it may owe for infrastructure debt service. The Water Board does not like this structure and encourages drought pricing such as the model imposed in the Inland Empire. For low-income residents, tiered pricing may be an option for local jurisdictions to provide drinking water rate assistance.

X. Marijuana Policy Update

Jason Rhine, League Legislative Representative, provided an update to the Committee on the Adult Use of Marijuana Act (AMUA). Specifically, Mr. Rhine discussed the interaction between the AMUA and the Committee discussion of a resolution on environmental damage of illegal marijuana grows in addition to the key environmental benefits of the AMUA. The initial Committee discussion occurred during the June 2016 meeting, when this Committee debated the resolution.

Tim Cromartie, League Legislative Representative, updated the Committee on the public safety implications of the AMUA. Mr. Cromartie also discussed the licensing procedures under the new law as well as the obligations and authority provided to cities.

XI. Cap and Trade Funding

This was an informational item presented by the Chair as an agenda attachment. Staff reported on the release of Governor Brown’s January Budget proposal for the 2017-18 fiscal year.

XII. Legislative Update

This was an informational item presented by the Chair as an agenda attachment and staff provided a handout related to two park bond proposals. Staff reported on the bill matrix attachment with a few proposals so far. It is still early in the legislative year and a flurry of

activity is expected closer to the bill introduction deadline. More bill proposals will be discussed in March.

Staff reported on two park bond proposals, AB 18 and SB 5, and provided a handout detailing both proposals. AB 18 by Assembly Member Eduardo Garcia (D-Coachella) is similar to a bill proposed last year, which the League supported. AB 18 also contains a \$425 million allocation to cities and counties which would be allocated on a per capita basis. Cities would receive a minimum allocation of \$200,000. There are additional set asides proposed for competitive grant programs for local governments.

SB 5 by Senate President pro Tempore Kevin de Leon (D-Los Angeles) has also proposed a park bond. His proposal does not have a per capita allocation for cities and designates half of the funding for water programs. In his presentation to the League's community services policy committee, Assembly Member Garcia said work is needed between the two authors to reconcile differences.

Next Meeting: Friday, March 31, 2017, Doubletree Hotel, Ontario