

**ENVIRONMENTAL QUALITY POLICY COMMITTEE
HIGHLIGHTS**

Thursday, January 18, 2018
League of California Cities, 1400 K Street, 3rd Floor, Sacramento

ATTENDANCE

Members: Laura Rosenthal (Chair), Catherine Carlton (Vice Chair), Madolyn Agrimonti, Emily Beach, Art Bishop, Rene Bobadilla, Thomas Butt, Jon Canavan, Kendra Carney, Margaret Clark, Stanley Cleveland, Jr., Denise Diaz, Kathryn Downs, Pat Eklund, Amanda Folendorf, Rebecca Garcia, Debra Garnes, Sandra Genis, Christopher Gerry, Daryl Grigsby, Richard Harpole, Clay Holstine, Matthew Jacob, Kenneth Kao, Lori Lamson, Mina Layba, Jesse Loren, John Masson, Alex McIntyre, Margorie Mohler, Cynthia Moran, George Moyer, Judy Nelson, Richard O'Brien, Nick Pilch, David Pollock, Darrel Pyle, Joel Rojas, Donald Rust, Mario Sierra, Milas Smith, Michael Solorza, Ed Spriggs, Tom Stallard, Mary Su, Matthew Summers, Maureen Toms, Mireya Turner, Russ Utz, Fabian Villenas

League Partner: Emily France, Mark Kindelberger

Staff: Erin Evans-Fudem

I. State Budget and Issues Briefing

The January 2018 Policy Committee meetings began with a General Session briefing. League President Rich Garbarino, Council member, City of South San Francisco, gave a brief welcome, which included highlighting the importance of the League's 2018 Strategic Goals, then introduced League Deputy Executive Director/Legislative Director, Dan Carrigg, to discuss state budget and legislative issues.

Mr. Carrigg stated that the state budget revenues continue to be strong and that the Governor plans to allocate additional revenues to fully-fund the state's Rainy Day Reserve fund at \$13.5 billion. Healthy reserves were also good for local government, he said, because it gave the state options during a downturn, rather than attempting to shift funds from local government as it had in the past. Mr. Carrigg then introduced Michael Coleman, the League's Fiscal Policy Advisor, to discuss the Governor's January budget.

Mr. Coleman gave a short PowerPoint presentation on the 2018 January Governor's budget. For more information about the impacts of the budget on cities, please review the League's analysis, and information on Mr. Coleman's website here. Mr. Coleman then gave Dan Carrigg the floor.

Mr. Carrigg briefly discussed the large amount of housing bills passed by the Legislature last year and how if more housing legislation were introduced this year could be difficult for cities to navigate. He also discussed the uncertainty California faces in regards to the President's recent tax reform legislation and plan to open up offshore drilling. Then Mr. Carrigg introduced the League's lobbyists to discuss their respective issue areas big topics. First, he introduced Dane Hutchings, League Legislative Representative, to discuss pensions and other labor and governance issues.

Mr. Hutchings gave an overview of what will be happening on pensions this year. Cities are struggling with increasing costs, and securing additional flexibility for cities is a priority. Additionally, Mr. Hutchings discussed two measures (not in print yet) that could have big effects on cities. The first measure would apply prospective and retroactive joint and several liability to

agencies who have entered into a JPA for all retirement related liabilities for any public retirement system. This measure would not just apply to CalPERS but any county retirement system as well. The second measure would expand the number of days allotted in the safe harbor provision of the California Voting Rights Act to provide cities more time to convert to district-based elections.

Rony Berdugo, League Legislative Representative, discussed how the landmark passage of SB 1 (Beall, 2017) doubles the amount of funding cities receive for road maintenance and rehabilitation projects. He stressed that if the voters repealed SB 1, another funding package would not come together for a long time. He encouraged cities to proactively document and promote their road improvement work as the best way to protect their funding and to join in League efforts to support Proposition 69, the constitutional protections for new transportation revenues, and to participate in efforts to oppose the transportation funding repeal. Additionally, he thanked the Governor for his veto of SB 649 (Hueso) and how the League was taking steps to draft its own proposal on telecommunications deployment. This proposal would help preserve local control, while also providing a streamlined process for cities to roll out wireless “small cell” technology.

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. He reminded attendees to look through the 2018 Guide to New Housing Law in California, which was provided. Additionally, Mr. Rhine encouraged members to be active in advocating for legislation that will help local governments address their housing challenges while preserving appropriate local control functions. Mr. Rhine discussed SB 827 (Wiener), which would exempt certain housing projects from locally developed and adopted height limitations, densities, parking requirements, and design review standards. Cities were encouraged to submit an opposition letter.

Erin Evans-Fudem, League Legislative Representative, highlighted evolving environmental and community issues that will be big in 2018. With successful reauthorization of the cap-and-trade program last year, monitoring the programs and proposed funding allocations will continue to be a priority. In addition, Ms. Evans-Fudem discussed the importance for cities to engage in discussions about organic waste recycling regulations, disaster relief and wildfire response legislation, as well as offshore drilling, and clean drinking water legislation.

Tim Cromartie, League Legislative Representative, updated members on the continued rollout of cannabis regulations and the different ways cities can stay engaged on this issue. On the topic of public safety, he informed members they should be aware of a ballot initiative, sponsored by the Police Chiefs and the Grocers associations, seeking to amend the list of violent offenses as it relates to the provisions of Proposition 57, which provides for expanded parole considerations and increased rehabilitation programming for non-violent offenders. In addition, cities must stay alert for the drone industry to push for federal preemption in the annual Federal Aviation Administration’s reauthorization bill.

II. Welcome and Introductions

Chair Rosenthal welcomed Committee members and provided an introduction.

III. Public Comment

Chair Rosenthal gave a brief speech informing the committee of the Public Utilities Commission’s “Do Your Thing” campaign, which encourages cities and their citizens to be more

energy efficient. The Energy upgrade California draft resolution was sent to the committee with these highlights.

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. Update 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 (last edition was in March 2016) to reflect past action in support or opposition of proposed policies.

The 2018 existing policy update includes changes to the solid waste and CEQA sections.

Committee members had a short debate over what the changes meant, then voted unanimously to approve the existing policy update proposed changes.

VII. League Strategic Goals for 2018

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. 2018 Draft Work Program

League staff then opened a discussion on what the Committee would like to adopt for its 2018 Work Plan. The committee had a lengthy discussion on what issues they wanted to put on the 2018 work plan, but ultimately decided to add the following topics to be their work plan:

- Recycling and out of state markets
- Storm water and water quality
- Community Choice Aggregation and renewable energy

A motion to accept these three topics as the work plan was made, seconded, and passed with unanimous support.

IX. Senate Bill 623 (Monning) Safe & Affordable Drinking Water Fund

Speaker: Majority Floor Leader, California State Senator William Monning (D-Carmel)

Senator Monning gave a presentation to the committee on his bill, SB 623 regarding clean drinking water. He discussed the need for this bill by describing how prevalent contaminated drinking water is, how ground water becomes contaminated, and the costs associated with smaller jurisdictions trying to treat their contaminated water.

Senator Monning also broke down the funding sources for his bill from the agriculture and dairy industries and assessing a fee on water users. He highlighted that his bill would add a maximum of 95 cents for a residential water user.

Senator Monning made himself available for questions from the committee. In response to committee member questions related to water conservation, Senator Monning notes the following:

The opposition to SB 623 agrees safe, affordable drinking water is needed, but they do not want ratepayers to be part of the solution.

The bill will apply to any cities who have water contamination issues, even if they have already begun to address water quality. However, this bill does not address water supply issues. Unlike Proposition 1 that was intended for capital improvements, SB 623 is for maintenance and sustainability of water projects. The funds generated from this fee will also be protected as a rate assessment.

Committee Discussion:

After a lengthy debate of SB 623 there were a number of motions made including to support if amended, oppose, and watch. Throughout the debate, committee discussion centered around the efforts of affected communities to address water contamination, Proposition 218 implications, protection of SB 623 funds, vagueries in the bill, and the need for a solution to the problem.

Subsequently, a motion to oppose SB 623 was made and seconded. The committee then discussed the potential negative impacts and vagaries in the bill.

During the debate on whether to oppose SB 623, a substitute motion to “watch” SB 623 was made and seconded. Without further debate, question was called and passed with unanimous support. Then the motion to watch failed, on a 23-30 vote.

After the failed “watch” motion, a substitute motion to oppose unless amended to remove water fees was made and seconded. Immediately, question was called and passed with majority support. Then the **motion to oppose unless amended passed with nearly unanimous support.**

X. Legislative Agenda

League staff gave a short presentation on two identical measures, AB 1775 (Muratsuchi) and SB 834 (Jackson) regarding offshore drilling. These two proposals would prohibit the State Lands Commission (SLC) or local trustees from entering into new lease agreements, or renewing, expanding, or modifying existing agreement that would result in increased oil or natural gas from federal waters.

After little debate regarding the boundaries of state and federal waters, a motion to **support these two bills was made, seconded, and passed with all but two committee members voting in favor.**

XI. SB 1383 Implementation, Organic Waste Diversion

*Speakers: Scott Smithline, Director, CalRecycle
Mindy McIntyre, Deputy Director, CalRecycle
Zoe Heller, Deputy Director, CalRecycle*

Mr. Smithline gave a presentation to the committee including an overview of SB 1383 (Lara, 2016) and the requirements of the bill. Mr. Smithline discussed how SB 1383 would be implemented and the challenges of reaching the organic waste recycling targets.

During his discussion of SB 1383, he highlighted several points: SB 1383 is a methane reduction bill at its core; aims to address the amount of greenhouse gas emissions that are released into the atmosphere, including from landfills; and has an edible food recovery component.

SB 1383 also does not have a “good faith” component, which differs from other CalRecycle programs. There was a “good faith” component in SB 1383 originally, but it was taken out of the bill deliberately. Cities and counties will be required to enforce some provisions of SB 1383 in order to comply with forthcoming regulations.

Lastly, CalRecycle and the state recognize the need for a funding source for this program, but does not provide for one. Tip fee reform was one option for a funding source, but legislative efforts have been unsuccessful.

Mr. Smithline also discussed the regulatory process CalRecycle is undertaking and the draft comment period for developing guidelines. He encouraged all cities to submit comments.

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

He acknowledged that composting is really complicated and it will take a large education campaign to get the general public familiar with how to properly compost.

As part of enforcement responsibilities, cities and counties will be where the enforcement actions happens, not a special district that may hold the franchise agreement. Mr. Smithline also said a lot of franchise agreements will need to be revisited because current franchises do not address SB 1383 requirements. School districts will be subject to SB 1383 and will need to comply with any regulations.

An issue that still needs to be addressed is how rural cities and counties that do not currently have trash pickup, there is not a good explanation for how they will meet compliance regulations.

XII. Legislative Update

League staff gave an informational presentation about several bills from last year, including SB 5 (de Leon, 2017) and this year. The new bills included potential water conservation bills, SB 541 (Allen) relating to storm water capture for schools, and AB 1740 (Daly) regarding fire insurance.

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.

Next Meeting: Thursday, April 12, Sheraton Fairplex Hotel, 601 W. Mckinley Ave, Pomona