



ENVIRONMENTAL QUALITY POLICY COMMITTEE HIGHLIGHTS

Friday, January 24

Hyatt Regency, 1209 L Street, Regency D, Sacramento

ATTENDANCE

Members: Allan “Doc” Bernstein (Chair); Chris Rogers (V.Chair); Emily Beach; Kristi Becker; Jon Canavan; Jennifer Cavanaugh; Liang Chao; Anna Chouteau; Margaret Clark; Amanda Folendorf; Eric Friedman; Cynthia Garfield; Debra Garnes; Charles Herbertson; Linda Krupa; Mina Layba; Jesse Loren; Daniel Martinez; Julio Martinez; Salvador Melendez; Donna Meyers; Marjorie Mohler; Larry Moody; Cynthia Moran; Melissa Morgan; Oley Olsen; Oscar Ortiz; Nick Pilch; David Pollock; Randall Putz; Jason Pyle; Gabriel Quinto; Lisa Ann Rapp; Joel Rojas; Kristine Scott; Niroop Srivatsa; Tom Stallard; Matthew Summers; Mark Tettemer; Russ Utz; Gillian van Muyden; Arwen Wacht; Kevin Wilk; James Wood

League Partners: Brian LaBrie; Laura Rosenthal

Staff: Derek Dolfie, Legislative Representative

I. State Budget and General Briefing

On Friday, Marty Simonoff, Chair, Public Safety Policy Committee, gave a brief introduction at the General Briefing Session. After his welcome, he introduced League President John Dunbar, Mayor, Yountville, who welcomed everyone and thanked them for their commitment to the policy committee process. President Dunbar then recognized his fellow officers in the room, and shared that they had met with legislators and the Governor’s staff earlier that week. He emphasized the importance of League members contacting legislators when in Sacramento to make the most of everyone’s time during their visit. President Dunbar explained that there is a lot of value in building relationships and advocating on legislation that could affect cities.

Turning to the budget, President Dunbar stated that he was excited to see money heading to cities. He is encouraged by the relationship between the League and the Governor and the open lines of communication that they share. President Dunbar closed by reiterating the importance of sharing the message of protecting local authority in meetings with legislators and continued participation in policy committees.

President Dunbar introduced Carolyn Coleman, League Executive Director. Ms. Coleman thanked President Dunbar for all of his hard work, and welcomed everyone to Sacramento. Ms. Coleman thanked everyone in attendance for their time engaging and building a strong voice for the League. She explained that the League would not be as effective if it were not for the collective efforts of the policy committee members. Ms. Coleman also acknowledged the League partners present and thanked League staff for all of their hard work. She concluded by introducing everyone to Melanie Perron, League Deputy Executive Director, Advocacy and Public Affairs.

Ms. Perron expressed her appreciation for the introduction, and her enthusiasm for being a part of the League team. She gave an overview of the experience that she brings to the League, having spent many years working in state government. Ms. Perron concluded by conveying her goal of using her experience at the state level to help tackle the priorities of cities.

The League's Fiscal Policy Advisor, Michael Coleman, walked everyone through the State Budget update, which included how the State plans to spend the \$5.9 billion surplus and pay down debts while growing its reserves. He further explained how there is substantial funding in the budget to address housing and homelessness, natural resources and the environment, and fire protection. Mr. Coleman reminded everyone that this is only a budget proposal and is not final. There will be a May revision to this proposal, but this proposal is a good indication of where the Governor's budget is headed. The finalized budget will be voted on by the Legislature and signed by the Governor by the end of June.

Jason Rhine, Assistant Legislative Director, kicked off the legislative update by discussing issues related to housing, community, and economic development. Mr. Rhine emphasized that it is currently the second year of a two-year legislative session, and in addition to the two-year bills, there likely will be over a thousand new bills introduced this year. He emphasized that [SB 50](#) is one of the biggest bills this year for housing, and despite recent amendments, the League remains oppose unless amended on this measure (this measure failed passage by the legislative deadline of January 31). Mr. Rhine then spoke about homelessness. He explained that this is the third year with significant money in the budget to address homelessness, with about \$1 billion in investment. Mr. Rhine explained that the League will continue to work with the Governor's office to address issues related to homelessness.

Bijan Mehryar, Legislative Representative, highlighted issues related to governance, transparency, and labor relations. He began by explaining that this year there will be a large focus on pensions as a component of cities overall fiscal sustainability. In relation to pensions, Mr. Mehryar highlighted [SB 266](#), a two-year bill that may be acted upon this year to require cities to directly pay retirees disallowed retirement benefits using general fund dollars. Mr. Mehryar then discussed labor and workers compensation noting [AB 418](#), which seeks to extend evidentiary privileges between union agents and a represented employee (this measure is a two-year bill currently on the Senate floor). He finished his update emphasizing he will continue to monitor issues related to elections and redistricting into 2020.

Charles Harvey, Legislative Representative, explained several evolving public safety issues. Mr. Harvey expressed that one of the big issues this year will be cannabis. He was happy to report that [AB 1356](#) will not pass off the Assembly floor. Instead, a new bill related to model retail ordinances will be introduced. Mr. Harvey does expect to see a cannabis enforcement bill later this year, extending to cities the authority to impose civil fines and penalties against illicit cannabis operations. He is continuing to monitor issues related to cannabis taxation, including a recently introduced bill to lower excise taxes. Lastly, Mr. Harvey highlighted [AB 1190](#), which the League supported regarding a framework for drone regulation. He explained this bill will be referred to three policy committees in the Senate, and he will continue working with cities in shaping drone policy this year.

Derek Dolfie, Legislative Representative, began his presentation by discussing environmental quality. He highlighted the League is working on issues related to utility initiated power shutoffs, grid hardening, and electrical undergrounding in conjunction with the Transportation, Communications, and Public Works, and Public Safety Policy Committees. Mr. Dolfie then turned to solid waste and recycling, thanking the cities in attendance who weighed in on [SB 54](#) and [AB 1080](#) related to the reduction of single-use plastic waste. He emphasized these bills are still moving through the legislative process, and there will be an [updated action alert](#) issued soon.

Mr. Dolfie then discussed community services. He mentioned the Governor issued an executive order last year creating a Master Plan for Aging and a stakeholder advisory committee. Mr. Dolfie highlighted Immediate Past President, Jan Arbuckle, Council Member, Grass Valley currently serves on this committee representing the local government perspective. Mr. Dolfie also added the Governor's budget proposal includes \$65.1 million for the creation of a "Parks for All Initiative," which seeks to expand access to parks, open spaces, and natural lands for all Californians.

Rony Berdugo, Legislative Representative and Federal Policy Liaison, gave a legislative update on transportation, communications, public works and federal issues. He began by reviewing the scooter legislation carried over from last year, [AB 1286](#), which the League co-sponsored, and [AB 1112](#), which the League opposes. Mr. Berdugo then turned to the active litigation that the League is in with the Federal Communications Commission. He explained the Transportation, Communications, and Public Works Policy Committee would get an update on this case later in the day. Mr. Berdugo also mentioned he has been working with the California Public Utilities Commission on closing the digital divide through broadband deployment. Mr. Berdugo finished his update by reviewing federal issues of importance to the League, including remote identification for drones, streamlining of the National Environmental Policy Act, and the recently approved federal budget.

Lastly, Nick Romo, Senior Fiscal Policy Analyst, highlighted issues related to revenue and taxation. He explained the Revenue and Taxation Policy Committee will continue to work with and monitor the activities of the California Department of Tax and Fee Administration as they have begun collecting sales and use taxes from out of state retailers following the passage of [AB 147](#), regarding *Wayfair v. South Dakota*. In regards to annexation, Mr. Romo highlighted a two-year bill that the League supports, [AB 213](#), currently in the Senate Appropriations Committee. He reiterated the League will continue to support annexations and incorporations into 2020. Mr. Romo closed his update by addressing the Governor's recent streamlining of Enhanced Infrastructure Financing Districts (EIFDs) by removing the 55 percent vote requirement. While helpful, EIFDs remain difficult for cities to initiate.

II. Welcome and Introductions

Chair Allen "Doc" Bernstein welcomed committee members and expressed his enthusiasm for the opportunity to chair the Environmental Quality (EQ) Policy Committee this year. He thanked the members and league partners in the room for their time and contributions. Chair Bernstein asked each member to introduce themselves and articulate the three issues of most importance to them and their city. He explained this process would help to inform the EQ 2020 work program.

III. Public Comment

There were several public comments made, including:

- Southern California Edison (SCE)
 - A representative of SCE voiced the company's opposition to [SB 378](#) (Weiner), a measure that was on the EQ legislative agenda. Despite recent amendments, SCE remains opposed to the bill.
- Ygrene Energy (League Partner)
 - Emily Ramey from Ygrene Energy, a Property Assessed Clean Energy (PACE) provider, gave an overview of the PACE program, and she explained electric vehicle charging is an eligible project for PACE financing.
- Southern California Gas Company (SoCal Gas)
 - A representative from SoCal Gas wanted to remind the committee that other types of natural gas are considered sustainable and renewable.
- Berkley Citizens for Electrical Undergrounding

- Marvin Snow, a citizen from the City of Berkeley and a member of Berkeley Citizens for Electrical Undergrounding, expressed his interest and appreciation for the League's proposed Rule 20 draft policy.

IV. **Overview of Parliamentary Procedures and Robert's Rules**

Derek Dolfie, Legislative Representative, gave a brief overview of the League's parliamentary procedures and Robert's Rules. This overview included a reminder of how many votes are needed for an action item, the order of how substitute motions and friendly amendments are heard, and a suggestion to review the "call for the question" procedure. Chair Bernstein reiterated it is important to understand this process in order to reduce confusion and ensure efficiency.

V. **Committee Orientation**

Mr. Dolfie proceeded to give the committee orientation. He emphasized the EQ Policy Committee has a significant amount of issues it needs to cover, but only has three meetings each year to do so. In that vein, Mr. Dolfie thanked all committee members for their participation in this process, and requested they continue to be prepared and ready to share their thoughts and opinions in a thoughtful and courteous way. This includes providing feedback and perspective on legislation and potential visits to Sacramento to lobby on EQ issues.

Mr. Dolfie then explained the difference between an informational and action item, noting recommendations taken on action items will be presented to the League Board. He also highlighted the EQ Policy Committee [webpage](#), which he explained is home to a lot of valuable information and resources for committee members. Chair Bernstein reiterated the value of the webpage as a great resource. He also asked everyone to be respectful and balance their passion with respect during committee discussions.

VI. **League Strategic Priorities for 2020**

The committee reviewed the League's 2020 Strategic Priorities. This year, there are five main strategic priorities:

1. **Improve the supply and affordability of housing.** Provide cities with financial tools to increase construction of housing, particularly for vulnerable populations, reform state regulatory barriers, and ensure cities retain flexibility based on the size, geography, demographics, impact mitigation and land use needs of each community.
2. **Advocate for increased funding and resources to prevent homelessness and assist individuals experiencing homelessness.** Secure additional resources and flexibility to provide navigation assistance, emergency shelters and permanent supportive housing and strengthen partnerships with stakeholders to ensure mental health, substance abuse treatment, and wraparound services are available for adults and youth at risk of – or already experiencing –homelessness in our communities.
3. **Address cities' fiscal sustainability to deliver essential services and meet pension obligations.** Raise awareness among stakeholders about the fiscal challenges cities face and work collaboratively to secure new revenue tools and flexible prudent policies to ensure cities are able to provide essential services to their residents while maintaining their ability to meet pension obligations.
4. **Strengthen community and disaster preparedness, public safety, and resiliency.** Improve community resiliency to disasters and environmental threats, and strengthen infrastructure stability and control, through expanding partnerships, including state and federal agencies, and securing additional resources and support for climate change adaptation, planning, preparedness, response, recovery, and sustainability in our cities.

5. Address public safety concerns of California cities.

- Reform recently enacted criminal justice laws — enacted by both statute and initiative — that have eroded public safety protections of California residents through the passage of the Police Chiefs/Grocer’s-sponsored criminal justice reform measure eligible for the November 2020 state ballot, or by equivalent reforms achieved through legislative action.
- Protect public safety by reducing access to firearms by the mentally ill.
- Support additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, human trafficking, and workforce development for ex-offender reentry.

Mr. Dolfie explained that strategic priorities number four, related to community and disaster preparedness, public safety, and resiliency is key to the EQ Policy Committee. He explained while these strategic goals are what will be guiding the work of the League this year, they are not a limiting document.

VII. Legislative Agenda

[SB 378 \(Wiener\)](#) Electrical Corporations. Deenergization Events. Procedures. Allocation of Costs. Reports. *Speaker: Bena Chang, Director of Intergovernmental Relations, City of San Jose*

Chair Bernstein introduced Bena Chang, Director of Intergovernmental Relations, City of San Jose, and Kari Smith, Division Manager, Regulatory and Legislative Policy, San Jose Clean Energy to present SB 378, a bill the city is co-sponsoring with Senator Scott Wiener.

Ms. Chang began her presentation by giving an overview of San Jose’s experience with the utility-initiated power shutoffs that occurred in October of last year. She explained while San Jose was not as impacted as other communities, they did have about 30,000 customer accounts, and roughly 200,000 plus people impacted over the course of three de-energization events.

Ms. Chang explained the city had been concerned about utility-initiated power shutoff events since April when Pacific Gas and Electric (PG&E) informed city officials that they may have to shut down transmission lines providing power to the city. In response, the city developed a Power Vulnerability Plan. This plan included a robust public information campaign, briefings with news media, creating social media accounts, developing an app, and conducting outreach with over 900 medical baseline customers.

Ms. Chang then began her overview of SB 378. Specifically, she explained the bill:

- Requires electrical corporations to report on the maintenance and condition records of their utility equipment and where they are investing in safety upgrades;
- Requires electrical corporations to communicate location specific information, including impacted critical facilities and medical baseline customers from utilities to local governments, including cities;
- Tasks the California Public Utilities Commission (CPUC) with establishing a process to reimburse customers and local governments for losses accrued during a de-energization event; and
- Creates a financial penalty of \$250,000 per hour per 50,000 customers if the CPUC finds an electrical corporation failed to act in a reasonable and prudent manner.

Ms. Chang then mentioned that SB 378 had recently been amended and addressed some of the important components of the recent amendments. Specifically, the amendments:

- Applied SB 378 to all investor owned utilities (IOUs), including San Diego Gas and Electric (SDG&E), which was previously excluded;
- Reduced the financial penalty from \$500,000 per hour per 50,000 customers to \$250,000 per hour per 50,000 customers, to address concerns that the penalty was too high and would prevent IOUs from using shutoffs as a tool to prevent wildfires; and
- Removed the anti-marketing sections regarding the expansion or implementation of diverse energy sources such as microgrids and distributed generation.

Ms. Chang then reviewed the entities that have already supported the bill and accepted questions from the committee. The committee had a robust discussion on the bill and asked numerous questions.

Subsequently, a motion was made and seconded to support the staff recommendation to support SB 378.

STAFF RECOMMENDATION: Adopt a support position on SB 378 and work with the author's office and relevant stakeholders to address implementation challenges.

COMMITTEE ACTION: Motion and second to support staff's recommendation to support SB 378.

Motion Approved, with all but two members voting in support.

VIII. Update of Existing Policy & Guiding Principles

Chair Bernstein referred the committee members to the League's updated Existing Policy & Guiding Principles document, and encouraged them to familiarize themselves with the policies. Mr. Dolfie explained the importance of the guiding principles document as the foundation for League advocacy positions. The document is updated and published every two years to reflect significant policies adopted by policy committees and approved by the Board. Committee members reviewed the proposed update and considered whether it accurately reflected the actions taken by the policy committee (and League Board) over the last two years, and whether there were any missing policy items or errors in describing policy.

COMMITTEE ACTION: Motion and second to adopt the proposed Existing Policy & Guiding Principles, as presented.

Motion Approved, with unanimous support.

IX. Adoption of 2020 Work Program

Mr. Dolfie explained the 2020 EQ work program creation process to the committee, highlighting the work program will help guide League staff in selecting guest speakers and content for the committee. He assured the committee the work program is a guiding document, and does not limit the scope of work the League does in the EQ space.

The committee had a robust discussion on what items they would like to add to this year's work program. The committee ultimately decided on the following work program:

- Disaster and wildfire preparedness and resiliency;
- Impacts of Climate Change;
- California Environmental Quality Act (CEQA);
- Storm water, water quality and supply;

- Solid waste, organic waste, and recycling; and
- Reducing emissions, promoting alternative fuels, and improving air quality.

COMMITTEE ACTION: Motion and second to approve proposed 2020 EQ work program for 2020.

Motion Approved, with unanimous support.

X. Rule 20A Draft League Policy

Caroline Cirrincione, Legislative Policy Analyst, gave an overview of the Rule 20 draft League policy for the committee's consideration. She explained the City of Rancho Palos Verdes submitted a resolution to the League for consideration at annual conference in October of last year. Their resolution sought to amend Rule 20A by expanding the criteria for undergrounding to include fire mitigation projects in Very High Fire Hazard Severity Zones. This resolution also proposed the League call upon the CPUC to increase funding allocations for Rule 20A.

Ms. Cirrincione explained this resolution was heard in two of the League's policy committees at the League's Annual Conference: Both the Transportation, Communications, and Public Works (TCPW) and EQ policy committees. Both policy committees advanced the resolution with amendments to the General Resolutions Committee. The General Resolutions Committee took action to table the resolution at the Annual Conference and to defer drafting a new policy on this issue to the appropriate policy committees in January. She explained League staff had drafted the following policy for the policy committee's consideration:

"The League supports the inclusion of wildfire mitigation as an eligible project to receive the California Public Utilities' Rule 20 funds and efforts to expand funding for Rule 20."

Ms. Cirrincione then took questions from the policy committee. The committee asked several technical and clarifying questions. Then a motion to approve the draft policy, as presented, was made and seconded.

STAFF RECOMMENDATION: League staff recommends the committee APPROVE the proposed changes to League existing policy.

COMMITTEE ACTION: Motion to approve the addition of the draft policy to existing League policy, as presented.

Motion Approved, with unanimous support.

XI. Legislative Update

Mr. Dolfie began his legislative update by reviewing the aspects of the Governor's proposed budget most pertinent to the EQ Policy Committee. He specifically highlighted the "Climate Budget," which consists of a \$4.75 billion climate resiliency bond, \$965 million in Cap-and-Trade expenditures for climate change-related programs, and \$1 billion in the Climate Catalyst Fund. Mr. Dolfie explained these initiatives taken together aim to invest \$12.5 billion over the next five years.

Mr. Dolfie then discussed some of the Governor's proposed budget investments in emergency preparedness and response. Specifically, \$9 million for California Office of Emergency Services (Cal OES), California Department of Forestry and Fire Protection (CAL FIRE), California Military Department, and California Public Utilities Commission

(CPUC) to implement [SB 209](#) (Dodd), a bill the League supported. He also mentioned the \$50 million in investments for Cal OES to support preparedness measures that bolster community resiliency, particularly during utility-initiated power shutdown events.

Mr. Dolfie also mentioned that [SB 54](#) (Allen) and [AB 1080](#) (Gonzalez), related to the reduction of single use plastic waste, are moving through the legislative process. He explained an updated action alert would be issued soon. He encouraged cities to continue to advocate for these bills, as local governments stand to benefit from creating new recycling markets, and reducing the amount of plastic waste on the front end. Mr. Dolfie then took questions from the committee.

Lastly, Mr. Dolfie explained how the Legislature has until February 21 to introduce new bills this year. League staff will continue to review and analyze new bills as they are introduced and he will report back to the committee in April on any new significant legislation pertaining to the EQ policy committee.

Chair Bernstein then thanked the committee for their time and commitment and adjourned the meeting.

Next Meeting: Friday, April 3, Sheraton Park Hotel, 1855 S Harbor Blvd, Anaheim