

**ENVIRONMENTAL QUALITY POLICY COMMITTEE
HIGHLIGHTS**

Thursday, June 7, 2018

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

ATTENDANCE

Members: Laura Rosenthal (Chair), Catherine Carlton (Vice Chair), Madolyn Agrimonti, Emily Beach, Allan Bernstein, Jon Canavan, Kendra Carney, Stanley Cleveland, Jr., Denise Diaz, Pat Eklund, Amanda Folendorf, Rebecca Garcia, Gaurav Garg, Debra Garnes, Christopher Gerry, Daryl Grigsby, Matthew Jacob, Mina Layba, Jesse Loren, Alex McIntyre, Margorie Mohler, Cynthia Moran, Judy Nelson, Richard O'Brien, Nick Pilch, Darrel Pyle, Gabe Quinto, Lisa Ann Rapp, Chris Rogers, Joel Rojas, Mario Sierra, Tom Stallard, Matthew Summers, Maureen Toms, Mireya Turner, Russ Utz, Fabian Villenas, Tiffany Wise-West

League Partner: Emily France, Mark Kindelberger

Staff: Erin Evans-Fudem

I. State Budget and Issues Briefing

Rich Garbarino, League President and Council Member from the City of South San Francisco, welcomed all the attendees and thanked them for their valuable contributions to the League's policy development process. He then paused and asked the attendees to celebrate the voter's support earlier that week for Proposition 69, which ensured that revenues derived from SB 1 could only be used for transportation purposes. He added that the battle to protect local transportation funds was not over, and the League would be working with our partner organizations in the Fix Our Roads coalition to help voters understand the value of preserving these funds. He also noted that voters had approved two other League-supported measures: Prop. 68, the park bond, and also Prop 72 to give a tax break for rainwater capture. League Executive Director Carolyn Coleman provided additional welcoming remarks.

Next, League Fiscal Policy Consultant, Michael Coleman, gave an in-depth update of the Governor's May budget revise. He discussed the revenues generated by the state and the funding priorities for the administration. Erin Evans-Fudem explained the League's budget asks including wildfire and disaster funding, increasing funding for the Transformative Climate Communities program, and increasing state funding to address organic waste recycling challenges.

League Deputy Executive Director/Legislative Director Dan Carrigg then gave an overview of the primary election results including the high-profile Governor's race in November. He talked about the candidates and highlighted some of the positions the candidates have on issues important to the League, such as housing.

Michael Coleman then provided an update on local ballot measures from the recent election. Dan Carrigg then discussed the challenges the League faces with multiple ballot measures in November. Specifically, Dan discussed the Business Roundtable's initiative. This initiative would significantly hinder a city's ability to raise revenue and fund essential services. Due to its retroactive provision, the initiative would undo 25 local ballot measures passed by the voters at the June election.

Jason Rhine, League's Assistant Legislative Director, then updated the attendees on housing legislation. Jason highlighted several bills including AB 2923 (Chiu), SB 828 (Wiener), SB 831 (Wieckowski), AB 2890 (Ting), AB 3162 (Friedman), and SB 946 (Lara). Jason explained that the budget deal on homelessness has been struck, but he urged everyone to call or visit their legislators to tell them that they support funding for homelessness.

Rony Berdugo, the League's lobbyist on Transportation, Communications and Public Works, was joined by National League of Cities lobbyist, Angelina Panettieri. Rony provided an overview of the fight over SB 649 (Hueso) the small-cell bill from last year, and the implementation transportation funding from SB 1 (Beall, 2016), and asked for volunteers to be champions to help defend SB 1. Rony then introduced Angelina, who discussed the National League of Cities perspective on telecom issues and how other states are addressing the issue. She asked for members to speak to their congressional legislators about broadband deployment to make sure that local government perspectives are heard in Washington D.C.

Dane Hutchings, the League's lobbyist on Governance, Transparency and Labor Relations, discussed AB 1912 (Rodriguez) that would apply retroactive liability to each member agency of a joint powers authority. Dane also discussed a recent budget trailer bill affecting contracting for library services that is reminiscent of AB 1250 (Jones-Sawyer) from last year.

Dan Carrigg then introduced the League's newest lobbyist for Public Safety, Charles Harvey. Charles introduced himself and discussed various cannabis and public safety bills. Primarily, Charles discussed SB 1302 (Lara) that would force cities to allow for deliveries in their jurisdictions. He urged the group to call their legislators to let them know that cities do not support SB 1302 or any other measure that removes cities' ability to regulate cannabis deliveries.

Lastly, Dan Carrigg gave a brief overview of the issues related to Revenue and Taxation. He briefly described SCA 20 (Glazer) and efforts to refine a proposed transition to destination allocation of local Bradley-Burns sales taxes as one of the primary topics of ongoing discussion.

II. Welcome and Introductions

Chair Laura Rosenthal began introductions of both herself and Vice Chair Cat Carlton, then went on to introduce League staff, followed by introductions from each member of the Committee. Due to the large number of those there for public comment regarding utility liability standards (item VI), Chair Rosenthal decided to move the opportunity for public comment prior to when the item was discussed in Committee.

III. Water Supply and Water Quality Act of 2018

Gerald Meral, Ph.D., Director of the California Water Program, presented to the Committee an outline of the potential benefits in adopting the Water Bond Act of 2018. This included a breakdown of the allocation of funds, along with the various impacts the funds would have to different parts of the state, along with the state's collective benefit in receiving the funds. He also discussed the comparative resources made available and contrasted them to the reality of the needs California has as it seeks to address its water issues.

The Committee asked clarifying questions about the allocation of the funds and related their area's hardships with water. There was a motion to delay action on the issue until September to give the opponents another chance to present. A substitute motion was made to support the bond, which passed by a vote of 33-4.

Following standard practice in trying to illicit a position from policy Committee regarding a ballot measure, both the proponents and the opponents were contacted in an attempt to have them both present their positions to the Committee. Unfortunately, the opponents of the measure were unable to attend.

IV. Community Choice Aggregation

The Committee heard from Mitchell Shapson, attorney with the California Public Utilities Commission. Mr. Shapson discussed the growing trend of communities creating CCAs in investor-owned utility territories and answered committee questions.

V. Public Comment

The Committee heard from five individuals who all spoke on behalf of the Wildfire Liability standards agenda item. The commenters included representatives from Up from the Ashes, PG&E, Southern California Edison, the California Municipal Utilities Association, and John Fiske, an attorney representing certain local agencies. Those representing the utilities companies urged the Committee to delay action on the issue and those representing fire victims encouraged the Committee to adopt the suggested policy crafted by the League.

VI. Natural Disaster Policy: Wildfire Liability

The Committee discussed this policy proposal at length with discussion about the following issues: the potential for new city liability, the effect on publicly-owned utilities, the need for policy to allow League staff to represent city interests in the 2018 legislative session, and expanding the policy to the limits of inverse condemnation rather than limiting it to fires.

The Committee modified the policy to the following:

The League supports maintaining the standard of inverse condemnation for investor-owned utilities and publicly-owned utilities that requires utilities to pay damages. The League opposes reducing the inverse condemnation standard for fires caused by a utility, whether retroactive or otherwise, and supports ensuring local governments can recover applicable damages.

A motion was made and seconded to adopt the modified policy and revisit the policy in an EQ meeting in 2019. The motion carried by a vote of 30-5.

VII. Legislative Agenda

SB 819 (Hill) Electrical and Gas Corporations: Rates

Senator Hill stopped by the meeting early in the day to encourage the Committee to support his bill. SB 819 measure prohibits the California Public Utilities Commission (CPUC) from passing through certain costs to ratepayers, including fines, penalties, and costs resulting from an unreasonable act.

After a lengthy discussion, the Committee determined that a company should pay for a wildfire it caused, not the ratepayer. A motion was made to support the measure and passed by a unanimous vote of the Committee members present (27-0).

SB 1088 (Dodd) Safety, Reliability, And Resiliency Planning

This measure would establish a new Safety, Reliability, and Resiliency Plan (Plan) that each electrical or gas corporation must prepare and submit to the California Public Utilities Commission (CPUC) for approval. It would also authorize ratepayers to pay the cost of the plan

and its implementation, require the CPUC to conduct an annual proceeding to review the utility's compliance with the plan, and to impose penalties for non-compliance.

Discussion centered around two issues: (1) Committee members questioned the standard of “substantial compliance” and indicated a position that shareholders, not ratepayers should bear the cost of damages from a wildfire a utility caused. (2) Committee members also express concern about the potential duplicate costs for ratepayers of Community Choice Aggregators and utilities that may have to procure double energy for reliability.

A motion was made to oppose SB 1088 and it passed with a vote of 24-0.

AB 1884 (Calderon) Food Facilities: Single-Use Plastic Straws

This measure would require certain restaurants to provide plastic straws only upon request.

The Committee discussed plastic straws as litter and in the ocean and noted that straws used to be paper before plastic straws were available. A motion was made to support the measure and passed with a vote of 22-6 with 2 abstentions.

VIII. Legislative Update

League staff briefed the committee on some of the bills associated with environmental quality policy, touching on a few bills from the legislative briefing packet.

Next Meeting (tent.): Annual Conference, Long Beach, September 12

Staff will notify committee members after July 20th if the policy committee will be meeting in September.