



2010 Annual Report

COUNTY ENGINEERS ASSOCIATION OF CALIFORNIA



CEAC's Purpose

The County Engineers Association of California (CEAC), formed in 1914, is comprised of county engineers, public works directors, county road commissioners, and professional personnel throughout California's 58 counties. Its purpose is "To advance county engineering and management by providing a forum for the exchange of ideas and information aimed at improving service to the public."

Furthermore, the objective of CEAC is "To accomplish the advancement of engineering methods and ethical practice through networking efforts of all 58 counties in the state." Through discussion, interchange, and dissemination of engineering and administrative data/ideas, the organization shall strive to affect "maximum efficiency and modernization in engineering and administrative units of local government."

Throughout CEAC's history, it has maintained a close relationship with the California State Association of Counties (CSAC) to lend support in policy development and advocacy efforts, thus benefiting counties and their ability to serve their citizens.





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“It was very exciting to see this high level of energy and cooperation amongst all of the counties regardless of size or location. It made me proud to be your President.”

My year as President of the County Engineers Association is about to come to an end. It was a remarkable year that may never have been without strong support within the Association. Since I am neither a Director of Public Works nor a County Engineer, I was not eligible to be an Officer until 2006 when the Association's By Laws were changed. It has been an amazing three years since being elected as CEAC Secretary in 2007 at our fall conference in Alameda County (Oakland).

So, you ask “What has been so remarkable about this past year?” First and foremost, we did not lose our gas tax revenues. It was truly remarkable how close we were to losing these revenues as part of the State budget solution starting with Fiscal Year (FY) 2009-10 and continuing into FY 2010-11. I still remember very vividly the remarks from our Immediate Past-President, Peter Rei, as he was completing his term as President last year – “Luckily, I dodged the title of the ‘CEAC President who let gas taxes get away’.” My only thought was, “Yeah, it wasn't you, Peter. It will be me.” But, with the continued diligent work by DeAnn Baker and Kiana Buss and the results from our joint effort with the cities to complete the first ever *Statewide Local Streets and Roads Needs Assessment*, we were able to show the State Legislature that taking our gas taxes would have a devastating effect on city streets and county roads. The Needs Assessment showed that we don't have nearly enough revenue to adequately maintain our streets now. Just imagine what the loss of over 90 and 70 percent for those 2 years, respectively, would have had on us and our roads. We are not out of the woods, though; in fact, I think that we will never be truly safe from the long arms of Sacramento until the State addresses the structural deficiencies in its budget. We need to continue to work together to ensure that the *Statewide Local Streets*



2010 President's Message

and Roads Needs Assessment is always up-to-date and that our representatives in the State Legislature know what our needs are.

Another “remarkable” feat during this past year is that we were able to beat back the attempt by the private sector to reduce the statutory authority of the Road Commissioner to carry out work. I believe that as long as unemployment remains high in the State, the private sector will continue to seek ways to create more jobs without considering the loss of jobs in the public sector nor that it will not be more efficient to do so. All 58 counties must work together on this issue; otherwise, I believe that some reduction in the Road Commissioner’s authority will happen.

The third “remarkable” feat during this past year is that we held our spring conference without the cities. It was a very successful conference with a very high level of participation. It afforded us time to work through the many issues that we are all facing as Public Works Directors/County Engineers. It is worthwhile to note that while we were having a successful conference, I heard that we were missed at the League of California Cities’ spring Public Works Officers Institute held with their Planning Directors. Spring conferences starting in 2011 will be jointly held once again with the League of California Cities.

I was able to attend at least one regional meeting in each region this past year except for the North Bay Region. Our schedules couldn’t quite match up. And, I even made it to the Bedroll Conference, as promised. I thoroughly enjoyed the conference and was very pleased with the demonstration performed by Petrochem Manufacturing on one of Plumas County’s local roads not far from the campsite. I must commend the conference chair, Don Ridenhour,

Director of Public Works, Napa County, for putting on an excellent and very informative conference. And, I must admit the food prepared by the Honorable CLOD, Tom Hunter, and Mort August, Top CLOP, was also excellent. Well worth the drive to the middle of nowhere.

What I experienced everywhere I went this past year, whether it was at one of the regional meetings, the Bedroll Conference, or working with our special team of CSAC Legislative Representatives and Analysts, were people working together for a common goal. It was very exciting to see this high level of energy and cooperation amongst all of the counties regardless of size or location. It made me proud to be your President.

But, as we move forward, we must be cognizant of the need to continue to work together on the many issues that will continue to face us from funding, Road Commissioner authority, water, solid waste, conversion technologies, etc. I could go on and on. The list is growing and the need to work together grows even more. We need to put aside our differences. Synergy is the ability of a group to outperform even its best individual members. We had a lot of synergy last year and I know that our President-Elect, Julie Bueren, Director of Public Works for Contra Costa County, and our Secretary, Daniel Woldesenbet, Director of Public Works for Alameda County, agree. One of the major highlights in my remarks as your new President last November in Monterey was the need to work together. We have done well, but we cannot succumb to our successes.

As I re-read the *Droppings from out of the Past* in the March 2010 CEAC Newsletter titled *Forty-five Years of Progress?* which compares our organization to that of 45 years previous when Bill McIntosh was our President, I am still

inspired. Our CEAC Historian, Dave Gravenkamp, sums it up so well – although our roles in public works have expanded over the years and new legal, fiscal, and environmental obligations have complicated our jobs, we still must strive to create strong working relationships.

In closing, I must thank the Board of Directors, including the Regional Directors, and the membership for their support and efforts this past year. Without this support, we would not have had the synergy that we did. I must also thank Merrin Gerety whose assistance made my job so much easier. I couldn’t imagine doing this job without Merrin. And, I cannot leave out thanking Patti Hughes for her conference planning and behind the scenes effort to make our conferences the past year the success that they were. And, finally, it goes without saying that we are as only good as our Legislative Representatives – Karen Keene and DeAnn Baker – and our Legislative Analysts Cara Martinson and Kiana Buss. What a team!!! I look forward to serving CEAC this next year as the Immediate Past President and then however possible in the years to come.

**Patrick DeChellis, Deputy Director
Department of Public Works
County of Los Angeles
2010 CEAC President**

Reflecting on 2010

At both the state and federal level, California's counties' have faced new and increased challenges during these extremely difficult economic times.



The chaotic environment around the state budget continued through the end of 2009 and into 2010. At both the state and federal level, California's counties faced new and increased challenges during these extremely difficult economic times.

In January 2010, Governor Schwarzenegger released the Governor's Proposed Budget for the 2010-11 fiscal year. That proposal revealed a projected deficit of \$19.9 billion. As he released his proposed budget, Governor Schwarzenegger declared a fiscal emergency and called the Legislature into the 8th Extraordinary Session of this Legislature. The Legislature worked through February and March and made some reductions to the budget. The hallmark of this effort was the transportation tax swap in which we were successful in holding harmless funding for local streets and roads into the future (the swap is explained in further detail later in this report). In releasing the May Revise to the Proposed Budget, Governor Schwarzenegger pegged the projected deficit to be \$19.1 billion. Final budget action did not conclude until a record breaking 100 days past the budget adoption deadline on October 8th, 2010.

By all accounts, and given the fiscal environment facing the State of California, CSAC was again successful in mitigating many of the cuts proposed by Governor Schwarzenegger, and in protecting California counties, to the extent possible, from devastating cuts and actions by the Legislature.

Reeling from extended budget debates, the next significant challenge in 2010 came immediately following the November election. Several propositions passed by the voters represent significant constitutional changes for California and transportation in particular. Of interest to CEAC is

the passage of Propositions 22 and 26 and their impact on the recently adopted transportation tax swap.

While Proposition 22 was intended to bring greater certainty to transportation revenue streams, Proposition 26 jeopardizes the Proposition 42 replacement revenue or 17.3 cent new Highway User Tax Account (HUTA) monies enacted by the swap. While at the time of writing this report we continue to sort through the implications and necessary solutions, we have a grasp of the risks involved if we do not successfully achieve a validation of the new 17.3 cent HUTA by a two-thirds vote of the Legislature. Our worst fears may come true as the county counsels have concluded that Prop 26 will invalidate this new replacement revenue without such action.

Several solid waste measures relating to extended producer responsibility made it through the legislative process this year. However, Proposition 26 has also cast doubt on these bills. AB 1343 (Huffman) the Architectural Paint Recovery Program, AB 2398 (Perez) the Carpet Product Stewardship Bill, and SB 346 (Kehoe) the Brake Pad Pollution Bill, all of which were signed by the Governor, are now in jeopardy of being repealed if the legislature does not pass them with a 2/3rd vote.

Flood control and water resource management continued to be a dynamic and challenging policy area, with many factors at play, including the state and local budget pressures; implementation of last year's Delta/Water Legislative Package minus much needed bond funding; and several significant state and federal regulatory proposals. On all these matters, CSAC drew upon the expertise of the CEAC membership and, in particular, the members of the CEAC Flood Control and Water Resources Committee.

Transportation



State Budget – Historic Transportation Tax Swap

The Legislature and Governor, faced with fewer and fewer options for balancing the state budget, passed a historic transportation tax swap (AB X8 6 and AB X8 9) in March 2010 that was viewed as a “divorce” from the general fund. It was not only expected to provide the State millions in general fund relief, but also provide more stability to transportation funding across all modes. However, as mentioned in “Reflecting on 2010” and detailed further below, the November 2010 General Election outcomes have a significant impact on the transportation tax swap. But first a summary of the swap before moving on to effects of the recent ballot measures:

A decade ago the Legislature redirected the sales tax on fuel to transportation, which served as the predecessor of Proposition 42 passed by California voters in 2002. CSAC fought hard to ensure that local streets and roads received an equitable share of that revenue stream and was successful in securing 40% for cities and counties – an amount equal to the State Transportation Improvement Program (STIP). Proposition 42, while subjected to delays and deferrals in virtually every state budget debate over the past eight years, remained a critical and growing revenue stream for transportation.

In recent years with the ever declining economy, all state transportation revenue streams, and in particular state gas tax subventions to counties or HUTA (Highway User Tax Account), have come under attack in order to provide relief to the general fund for highway and transit related bond debt service. The Governor’s transportation tax swap proposed in his January budget was a further effort to provide general fund relief that would have resulted in an overall reduction in the State’s investment in transportation.

CSAC stood firm in negotiating the tax swap package so that transportation funding levels were restored from the

Governor’s January proposal to their current investment and would capture the projected growth into the future. Negotiating the final transportation tax swap from the Governor’s original proposal is a victory for CSAC and California’s counties. The transportation tax swap did the following:

- Eliminated the sales tax on gas and replaced it with a 17.3-cent excise tax increase on gasoline, indexed to keep pace with what the sales tax on gasoline would have generated in a given fiscal year. Increased the sales tax rate on diesel by 1.75 percent. The funding scenario in Fiscal Year 2010-11 is different than in Fiscal Year 2011-12 and into the future.

- In Fiscal Year 2010-11, the 17.3-cent excise tax increase will generate \$2.52 billion and be distributed as follows:

- \$1.2 billion for transportation bond debt service and a general fund loan (general fund loan equals \$761.6 million to be paid back with interest by June 30, 2013);
- \$629 million Local Streets and Roads (LSR); and
- \$629 million State Transportation Improvement Program (STIP).

- In Fiscal Year 2011-12 and into the future, the 17.3-cent excise tax increase will generate various amounts as it is adjusted to keep pace with what the sales tax on fuels would have generated. In Fiscal Year 2011-12 it is estimated to generate \$2.4 billion and will provide the following:

- \$727 million to general fund transportation bond debt service*
- 44% for the STIP
- 44% for Local Streets and Roads
- 12% for the State Highway Operation and Protection Program

**This changes on an annual basis to keep pace with increasing state general fund debt service obligations.*

Transportation

Propositions 22, 26, and the Transportation Tax Swap

Proposition 22 more thoroughly secures certain revenue streams that partly or completely flow to local agencies, mostly related to redevelopment, transportation, and transit. Specific transportation elements include:

- Specifies that all net revenues from state excise taxes on motor vehicle fuels, or any successor tax, be deposited in the Highway Users Tax Account (HUTA), which is declared a trust fund to be used solely for transportation related infrastructure, including, but not limited to streets and roads costs.
- Requires 2/3 legislative vote to modify the allocation of HUTA from June 30, 2009 formulas. For the Legislature to modify the formulas, the California Transportation Commission (CTC) must hold at least four public hearings, publish a report of the hearings, and wait 90 days.
- Prohibits borrowing, deferring, delaying, or otherwise inhibiting HUTA allocation to locals.
- Limits HUTA use for bonds to 1/4 of state revenues for state bonds and 1/4 of revenues for local bonds.
- Restores traditional (pre-2001) Public Transportation Account (PTA) allocations and declares it a trust fund.

The Prop 22 requirement that limits the use of HUTA for bond debt only under certain circumstances makes invalid the allocation provisions and formula for the new 17.3-cent excise tax that provides general fund relief, \$761.1 million alone in FY 2010-11, and into the future.

Proposition 26 amends the California Constitution to expand the definition of “taxes” to include some charges that are now classified as fees. Furthermore, it also placed new Constitutional requirements on the Legislature to pass certain measures with a 2/3rds vote with a retroactive provision to January 1, 2010. Specifically, Prop 26 states, “any change in statute which results in any taxpayer paying a higher tax,” must be imposed by a 2/3rds vote of the Legislature.

County counsel is concerned that this provision invalidates the replacement taxes enacted by the transportation tax swap, unless the Legislature validates those by a 2/3rds vote within 12 months of the enactment of Proposition 26. Further, they believe litigation would be required to reinstate the sales tax that funds both Proposition 42 and the transit spillover revenues.

CSAC, along with the Legislature and multiple transportation stakeholders, continues to analyze and understand the affects of Propositions 22 and 26 on the transportation tax swap. The most effective path to provide certainty and avoid the risk of losing these transportation funds is to seek re-enactment of the taxes by a 2/3rds vote of the Legislature recognizing that Proposition 22 now precludes a simple re-enactment of the two bill package adopted in March of 2010 due to the general fund relief provisions.

With over \$2.5 billion a year in transportation funding at risk the Legislature and stakeholders need to work together cooperatively to enact a solution. The loss of this revenue would jeopardize transportation projects across California, threaten thousands of jobs, and negatively impact the overall economic wellbeing of the State given the multiplier affects from infrastructure investment.

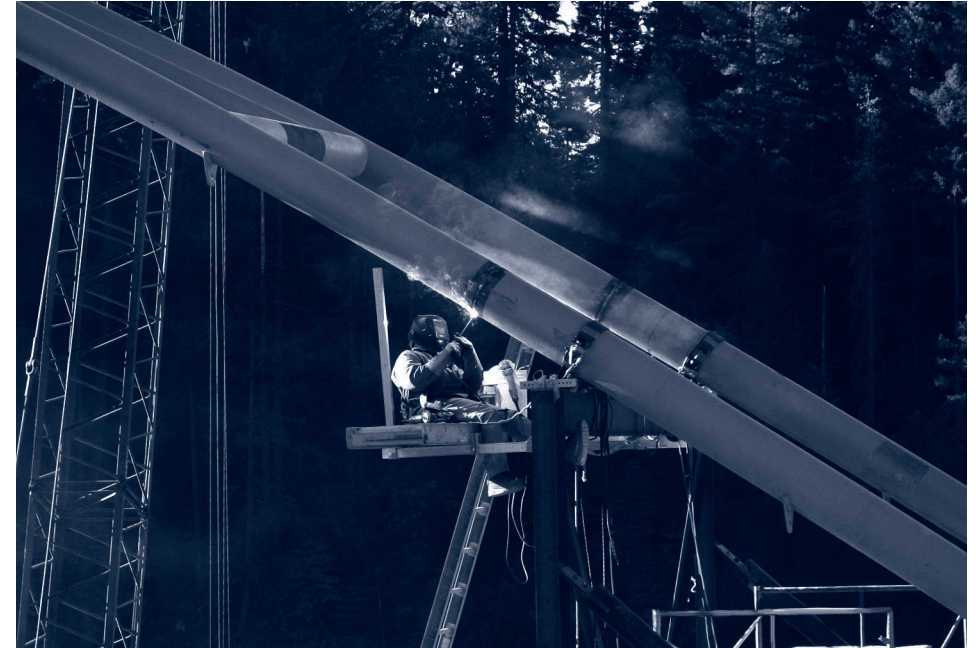
State Budget – Transportation Tax Swap & Proposition 1B Clean-Up

CSAC pursued clean-up measures related to the transportation tax swap described above and Proposition 1B Local Streets and Roads funding. The clean-up language was contained in a budget trailer bill and unfortunately was not adopted during the budget debate due to other controversial, non-related provisions. CSAC will seek urgency legislation at the beginning of the new legislative session in January 2010, to implement the two provisions outlined in greater detail below.

Highway User Tax Account, Section 2103 Funds

The State Controller has opined that Prop 42 provisions (i.e. project eligibility, maintenance of effort, and the use-it-or-lose-it requirement all contained in Revenue and Taxation Code Section 7104) apply to the revenues generated from the 17.3-cent excise tax increase. Clean-up language is necessary to codify the Legislature’s intent for the new HUTA funds and would have clarified that Proposition 42 provisions do not apply to the new HUTA (Streets and Highways Section 2103) funds per the transportation tax swap that was adopted in March 2010.

CSAC, along with the Legislature and multiple transportation stakeholders, continues to analyze and understand the affects of Propositions 22 and 26.



Proposition 1B: Local Streets and Roads Funds

CSAC also pursued clean-up legislation to provide an extra year to meet the use-it-or-lose-it requirements for the Prop 1B Local Streets and Roads (LSR) funds. Beginning with the FY 2007-08 state budget, the Legislature authorized cities and counties to use Prop 1B LSR funds to backfill deferred or borrowed Proposition 42 and HUTA payments. For the past four fiscal years, transportation funds have been deferred or borrowed and therefore counties have used this provision to meet cash flow needs until the State repaid the monies to local agencies and have been unable to use Prop 1B funds on Prop 1B projects. Under the clean-up provision counties and cities will have four fiscal years in which to expend all Prop 1B LSR funds. A schedule of use-it-or-lose-it dates for the four Prop 1B LSR appropriations is as follows:

1st Appropriation: FY 2007-08 (AB 78, 2007, \$400 million)

2nd Appropriation: FY 2007-08 Supplemental (AB 1252, 2008, \$87 million)

■ FY 2007-08 State Budget. In the 2007-08 Extraordinary Session, the State suspended the HUTA apportionment for a five month period beginning with the March collections scheduled to be paid on April 30, 2008, and continuing thru the July collection period scheduled to be paid September 2, 2008. AB 7 required that the HUTA payments resume with the September 30, 2008 payment at which time the SCO resumed the normal monthly payments.

Use-it-or-lose-it by June 30, 2011 – Clean-up legislation extension to June 30, 2012.

3rd Appropriation: FY 2008-09 (AB 88, 2008, \$63 million)

■ FY 2008-09 State Budget. Deferred HUTA payments from February, March, and April 2009. Payments resumed and deferrals were repaid in May 2009.

Use-it-or-lose-it by June 30, 2012 – Clean-up legislation extension to June 30, 2013.

4th Appropriation: FY 2009-10 (AB X4 1, 2009, \$442 million)

■ FY 2009-10 State Budget. Deferred HUTA payments from June, July and August, repaid in September 2009; October 2009 through March 2010 revenues were repaid in April 2010.

■ FY 2010-11 State Budget. Defers HUTA funds from July 2010 through March 2011 with repayment in May 2011.

Use-it-or-lose-it by June 30, 2013 – Clean-up legislation extension to June 30, 2014.

Proposition 1B: Local Streets and Roads Account

Prop 1B (LSR) account payments to counties and cities were made throughout 2010. The first three appropriations have been paid in full to all 58 counties, and all but 10 counties have received their fourth and final allocation.

Transportation

AB 1409 (Perez)

AB 1409, by Assembly Member John Perez, would have severely limited a county's ability to perform work on county highways in a timely, efficient, and cost-effective manner. As introduced in February 2009, the measure would have eliminated long-standing county road commissioner authority, which provides significant flexibility for counties to utilize county work forces for a variety of critical road related work. The sponsors circulated proposed amendments to the measure in July 2010 that would have forced counties under the California Uniform Construction Cost Accounting Act (Act) to choose between the benefits of the Act and road commissioner authority. While these amendments were never actually made, the bill had hearings in the Legislature in 2010 and CSAC anticipated its passage before the end of the legislative session. Luckily, due in part to Speaker Perez's work on the state budget and other issues of importance, but also CSAC and its county partner's efforts to build opposition to the measure, it was held in the Senate Transportation and Housing Committee. However, the measure is likely to be reintroduced next year and CSAC will continue to work to find a compromise solution which preserves longstanding county road commissioner authority.

Local Streets and Roads Needs Assessment

The Local Streets and Roads Oversight Committee (consisting of representatives of Los Angeles County acting as the project manager, the California State Association of Counties, the League of California Cities, the Regional Transportation Planning Agencies (RTPAs), and the Rural Counties Task Force) started the first update to the comprehensive needs assessment report first completed in 2009. While the update will not be complete until early 2011, the initial results indicate that the average statewide Pavement Condition Index (PCI - which ranks roadway pavement conditions on a scale of zero (failed) to 100 (excellent)) - has dropped from a 68 to a 66, an "at risk" rating. The unfunded backlog over the next ten years appears to have grown to close to \$80 billion from the \$71 billion need identified in the 2009 report.

CSAC is also engaged with the California Transportation Commission, Caltrans, and the RTPAs on developing a California Master Transportation Plan or statewide needs assessment report that will include the state highway system, the local streets and roads network, the transit system, and air-, sea-, and land port maintenance, preservation, and expansion needs. The report is expected to be completed in March 2011.



Land Use/Transportation Linkages

SB 375 Implementation & the Regional Targets Advisory Committee

Much of 2010 has been spent focusing on implementing the Regional Target Advisory Committee's recommendations to the California Air Resources Board (CARB) for the setting of regional greenhouse gas (GHG) emissions reductions targets to reduce GHG emissions from passenger vehicles, pursuant to SB 375 (Chapter 728, Statutes of 2008). While this activity has been mostly at the regional level, CSAC has been monitoring the progress of the regional targets setting process and will continue to do so into the future. CARB adopted final target in September 2010 and regional agencies are already working to incorporate GHG emissions reductions targets into the new Sustainable Communities Strategies (SCS) within Regional Transportation Plans.

Strategic Growth Council

The Strategic Growth Council, created by SB 732 (Chapter 729, Statutes), was in full-swing in 2010 working on developing guidelines for the implementation of Proposition 84 grant funds. Of particular importance to counties were the guidelines for the allocation of planning grant monies for encouraging the planning and development of sustainable communities.

As anticipated, there was fierce competition to influence the development of the guidelines and for control over these funds. Of particular concern to CSAC was a proposal to provide eighty percent of the grant monies to regions who would then allocate funds to their member cities and counties. Months were spent meeting with the Council

and staff, providing public testimony, and negotiating what would become the final guidelines. In the end, the guidelines provide equitable access for cities, counties, and regional agencies to grants funds. Another win for CSAC.

CSAC will continue to work with the Strategic Growth Council as they will continue to have a presence in a number of sustainable growth related issues such as federal transportation reauthorization and connecting schools to the creation of healthy and sustainable communities in the State.

Regional Transportation Plan Guideline Update

In 2009, the CTC undertook an effort to update the Regional Transportation Plan Guidelines to incorporate SB 375. Under the new law, California's 18 Metropolitan Planning Organizations (MPOs) must develop a Sustainable Communities Strategy (SCS) as part of the required Regional Transportation Plan (RTP) and therefore the CTC's guidelines needed to reflect the new requirements.

CSAC was successful in getting a new section written into the guidelines that for the first time ever calls out local streets and roads as a vital component of the surface transportation network that must be addressed in the RTP. Critical to this effort was the Local Streets and Roads Needs Assessment Report commissioned by California's counties and cities in 2008, which demonstrates a \$71 billion funding shortfall in order to bring to and maintain the local system in a good condition. CSAC has worked diligently to get long-deserved recognition that the local streets and roads system is a critical element to an efficient, safe, multi-modal transportation network.



Land Use: Addressing Disadvantaged Communities

The Legislature focused on the issue of disadvantaged communities during the 2010 legislative session. CSAC supported, in principle, the goal of a number of measures which were aimed at addressing substandard conditions and infrastructure deficiencies in disadvantaged unincorporated communities. In many counties, this is a top priority. However, the measures were problematic for many reasons, mainly to do with limited staff and adequate financial resources for the planning for, and implementation of, the infrastructure improvements necessary for these communities to be safe, healthy, and sustainable. CSAC anticipates this issue to continue into the 2011 legislative session and is prepared to work with the authors and sponsors to find mutually agreeable solutions that improves the condition of disadvantaged communities but is mindful of the staff and financial limitations counties are faced with.

Flood Control and Water Resources Management

CSAC had the opportunity to work in collaboration with CEAC and other stakeholders to achieve successful advocacy efforts.



S State Legislation

Unlike last year, flood control and water resource issues were less of a dominant topic on the Legislature's 2010 agenda. While there was some clean-up legislation to last year's Water/Delta legislative package, there was not a large number of water bills signed into law that would be of interest to counties. With that said, CSAC had the opportunity to work in collaboration with CEAC and other stakeholders to achieve successful advocacy efforts on a few flood/water-related bills that were signed by the Governor, including:

AB 2554 (Chapter 420, Statutes of 2010)

Authorizes the Los Angeles County Flood Control District (LACFCD) to impose a fee on property within the LACFCD to address pollution in stormwater and urban runoff in full compliance with Proposition 218.

SB 346 (Chapter 307, Statutes of 2010)

Provides local governments with the tools they need to deal with strict water quality standards in California. Specifically, this new law requires that the use of copper in brake pads sold in California be reduced to a de minimis 0.5% by weight by 2025.

SB 1284 (Chapter 645, Statutes of 2010)

Clarifies statute to include provisions specifying situations where mandatory minimum penalties (MMP) do not apply.

In addition, CSAC and the Delta Counties were successful in killing AB 2598 (Brownley), which would have required a local trustee of granted public trust lands to give management priority to, and take all reasonable actions that are necessary for, the preparation of a sea level action plan for all of its granted public trust lands by July 1, 2011.

State's Proposed Wetlands and Riparian Policy

This year, CSAC continued to collaborate with other trade associations in developing a more reasonable and workable approach to protect the State's wetlands from dredge and fill activities. CSAC staff participated in an invitation-only stakeholder meeting and submitted comments regarding the draft policy to State Water Board staff based upon input received from county public works and water resource agencies. CSAC will remain involved throughout the impending CEQA process which will extend throughout early next year.

Statewide Flood Control Needs Assessment

CSAC staff continues to coordinate and participate in the collaborative effort between the CEAC and the Department of Water Resources (DWR) regarding the development of a statewide flood control needs assessment. CSAC staff has helped facilitate this unique relationship between the counties and DWR. This endeavor will culminate with the preparation of a report that will include recommendations for improving and sustaining integrated flood management statewide.

Clean Water Act

CSAC remains engaged in responding to federal agency implementation of various components of the Clean Water Act, given the impact on county stormwater management programs and flood control activities. This year CSAC submitted comments to the Environmental Protection Agency (EPA) regarding a proposed rulemaking affecting stormwater management. CSAC expressed concern with the one-size-fits-all approach, and requested that the final draft allow for flexible implementation by local governments and to also allow for regional and watershed approaches. It is our understanding that EPA is still in the process of gathering information to inform them about the rulemaking. The schedule is multi-year with a draft due later next year.

CSAC staff also continued to participate in meetings with Orange County and CEAC's Clean Water Act Section 404 Working Group. Efforts are moving forward to obtain amendments to the Act that would streamline the Section 404 permit process as applied to maintenance activities

of flood control and drainage facilities. This summer, Representative Gary Miller, a member of the House Water Resources and Environment Subcommittee, agreed to support insertion of such streamlining language into the Clean Water Act, if such an opportunity arises. Representative Miller is also providing assistance with communications with the Army Corp of Engineers. While progress was made this year, our efforts will likely continue into the next Congressional session.

On a related matter, CSAC joined with RCRC in expressing concern to members of Congress regarding a proposed amendment to the Clean Water Act that would have deleted the phrase "navigable waters" from current law. Unlike former attempts, however, the new legislation (HR 5088) would have replaced existing language with the current regulatory definition of "waters of the United States." This measure failed to gain much traction, and will very likely be placed on a back burner for sometime given the new make up of the U.S. Congress. In fact, one casualty of the Republicans' resounding victory in November was the author of HR 5088, Congressman James Oberstar (D-MN).



Solid Waste

State Legislation

As directed by CEAC's Legislative Platform, CSAC actively supported legislation that adopted extended producer responsibility models and provided grants funds for waste management and recycling. Staff was successful at seeing the passage of several extended producer responsibility (EPR) bills this session. However, the November 2010 election and the passage of Prop 26 cast some uncertainty

Staff was successful at seeing the passage of several extended producer responsibility bills this session.



on several of the EPR bills passed this session. Specifically, the Legislative Analyst's Office indicates that laws adopted in 2010, like the paint, carpet and brake pad legislation, will be repealed if the Legislature does not pass them with a 2/3rd vote. It remains unclear at this point if the Legislature will act to preserve this recently passed legislation, or if Prop 26 will likely repeal these statutes.

Beverage Container Recycling Program

California's budget issues have spilled over into almost every facet of business in the state, including California's Beverage Container Recycling Program (Bottle Bill). The Assembly Speaker's initial budget proposal called for borrowing against the State's Beverage Container Recycling Fund to help balance the State's enormous budget deficit. CSAC, along with other local government and industry representatives worked hard to preserve some funding in the program and did not support the Speaker's borrowing proposal.

Extended Producer Responsibility

CSAC staff has been working closely with the Council on Product Stewardship to support an EPR framework approach to product stewardship. EPR is the extension of the responsibility of producers, and all entities involved in the product chain, to reduce the cradle-to-grave impacts of a product and its packaging. CSAC supported several EPR bills this session, including AB 1343 (Huffman) the architectural paint recovery program, AB 2398 (Perez) the Carpet Product Stewardship bill, and SB 346 (Kehoe) the brake pad pollution bill, all of which were signed by the Governor. In addition, CSAC supported several larger EPR bills that sought to create a framework for a statewide EPR program. Unfortunately, these bills were not successful. It appears that the Legislature is more comfortable with a product-by-product approach to this issue. As noted above, Proposition 26 will likely change the status of recently passed EPR bills.

Cal Recycle

2010 saw the transition of the California Integrated Waste Management Board to the Department of Resources, Recycling and Recovery (CalRecycle) located within the Resources Agency instead of the Environmental Protection Agency. CSAC staff met staff at the new department to ensure cohesive communication throughout the transitional period. CSAC staff also arranged for presentations by CalRecycle staff to the CEAC Solid Waste Committee regarding the transition and on-going issues.

In addition, CSAC joined forces this year with the Solid Waste Industry Group (SWIG) regarding regulatory proposals promulgated by CalRecycle. The SWIG, whose members include a cross section of public and private solid waste service providers, collaborated on comments to CalRecycle on a draft guidance document on Best Management Practices for Non-Water Quality Corrective Actions Plans, and a proposed fee for landfill closure and postclosure maintenance.

State Water Resources Control Board

With very limited, if any, general fund monies available for their regulatory programs, the State Water Resources Control Board pursued new fee authority over landfills via the State budget. Given the likelihood that the fee would be approved, CSAC again worked with the SWIG in developing trailer bill language that aimed to lessen the burden on landfill operators. Specifically, the SWIG was successful in obtaining trailer bill language that requires the billing of the permittees to occur in the second half of the fiscal year (if such billing is deemed feasible on a cash-flow basis for the Water Board to do so) and requires the Water Board to analyze and report on the costs of regulating active landfills (this will provide landfill operators the opportunity to object going into next year's budget).

Other Issues

Climate Change

CSAC staff is following the numerous efforts occurring at the legislative and regulatory levels to address climate change. The following is a summary of CSAC activities related to the implementation of AB 32 (Chapter 488, Statutes of 2006) and other climate change efforts.

AB 32 Implementation

CSAC has been following and participating in the implementation of AB 32 since its passage four years ago. CSAC staff has participated in numerous AB 32 implementation workshops, hearings, and private meetings. Staff is also partnering with the Institute for Local Government (ILG) and supporting their efforts to develop several tools for local governments, including best management practices and model ordinances for the purposes of reducing greenhouse gas emissions at the local level.

Proposition 23

CSAC staff prepared a thorough analysis of Proposition 23, the November 2010 ballot measure that sought to suspend the implementation of AB 32. Specifically, Proposition 23, which failed passage, would have suspended AB 32 (Division 25.6, section 28600 of the California Health and Safety Code) until the unemployment rate in California reached 5.5% or less for four consecutive calendar quarters. The measure also stated that no state agency shall propose or adopt any regulation implementing AB 32 until the unemployment rate criteria was met. The CSAC Agriculture and Natural Resources Policy Committee, the Executive Committee and the Board of Directors all took up the proposition, but were unable to develop a position on the measure.

Local Government Tools

CSAC staff continues to partner and work with the Institute for Local Government on their California Climate Action Network. This year, ILG started its new Beacon

Awards Program, geared at recognizing cities and counties that have taken active measures to reduce their municipal greenhouse gas emissions and adopted policies and programs that address climate change.

Surveying

CEAC's 2009-10 Legislative Priorities direct the organization to support legislation that would simplify the collection of the Monument Preservation Fund Fee. This year, the City of Los Angeles sponsored AB 1919, by Assembly Member Mike Davis, which would have addressed a statewide problem regarding collection of fees that support survey monument preservation. Specifically, AB 1919 would have repealed the current prohibition against charging county survey monument preservation fund fees against grant deeds that convey parcels which were created by recorded tract maps.

CSAC staff worked closely with the sponsors and author's office in successfully shepherding the bill through the State Assembly despite opposition by the California Association of Realtors. Once in the Senate, the Chair of the Senate Local Government Committee, as a condition of the bill's passage, directed the author to address the Realtors' concerns. Unfortunately, the bill died on the Senate Floor when agreement could not be reached regarding the amendments offered by the Realtors. It is our understanding that the City of Los Angeles plans to sponsor a similar bill in 2011. With the exception of AB 1919, it was very quiet on the legislative front relative to the issues of interest to the CEAC Surveying Committee.



Among other things, CSAC is urging Congress to provide financial incentives to states that adopt and set greenhouse gas emissions reductions targets.



A New Authorization for Federal Surface Transportation Funding

The reauthorization of the nation's highway and transit law (SAFETEA-LU) remains stalled as policymakers have been unable to reach consensus on a financing mechanism for a new six-year bill, with many transportation insiders prophesying that a new spending measure will not occur until after the next presidential election. Despite the uncertainty surrounding the Act's renewal, CSAC has remained active in promoting the association's surface transportation principles.

In March 2010, as a part of the NACo Legislative Conference, a CSAC delegation consisting of County Supervisors, public works directors, and staff descended upon Capitol Hill and the White House to discuss with California congressional representatives and key White House officials CSAC's priorities for the next authorization (chief among them is increased funding for the preservation and safety of local streets and roads, with an emphasis on rural roads, the importance of retaining the highway bridge program as specific set-aside program, and finally environmental and project delivery streamlining). The trip was a success by any standard, but the highlight was without a doubt the news that Congresswoman Laura Richardson intended to introduce a measure that would provide California Environmental Quality Act (CEQA) for National Environmental Policy Act (NEPA) reciprocity. We anticipate much more work to come in the future as Congress debates the merits of various authorization proposals.

Additionally, the House Transportation and Infrastructure Committee's draft reauthorization bill includes language that would allow California to continue to participate in the Surface Transportation Project Delivery Pilot Program.

CSAC is also working with key members of the California congressional delegation to promote additional streamlining proposals for inclusion in the House and Senate transportation legislation.

Federal Climate and Energy

Senate Democratic leaders and President Obama have spent considerable time in 2010 attempting to build support for a comprehensive climate change and energy bill. Despite their efforts, a series of events – including the oil spill in the Gulf of Mexico – has clouded prospects for the legislation's future.

The House of Representatives approved comprehensive climate change and renewable energy legislation (HR 2454) in the 111th Congress, but the Senate was unable to reach consensus on a package due to a variety of reasons. Lawmakers are expected to renew efforts aimed at addressing global warming in 2011, although it remains unclear whether the size and scope of next year's legislative effort will be as ambitious as previous attempts given the new make-up of Congress.

Among other things, CSAC is urging Congress to provide financial incentives to states that adopt and set greenhouse gas emissions reductions targets. CSAC is also urging Congress to provide additional funding for the Energy Efficiency and Conservation Block Grant, which provides resources to local governments for a variety of energy efficiency programs. Additionally, the association is promoting that the widest possible range of renewable energy sources – such as biomass, hydropower, and post-recycled municipal solid waste – qualify as resources to help California meet its renewable energy goals.

CEAC Program Update

A delayed budget and significant cuts to county travel budgets didn't preclude CEAC members and affiliates from participating in CEAC's valuable conferences. While separated from the League of California Cities this year, the CEAC spring conference held at the CSAC Conference Center in Sacramento in March, was still a big success. In light of the dire economic climate, CEAC maintained the fifty-dollar registration fee for the fifth annual CEAC policy conference held in Sacramento late August. Over 100 policy conference participants assisted CEAC in creating our 2011-2012 CEAC Policy Priorities and Guidelines. Held in Riverside County in mid November, the 116th CSAC Annual Meeting was attended by over 100 CEAC registrants and sponsors. Thank you to all our private sector sponsors for your generous contributions throughout the year.

This year's Northern California Regional conference held at the PG&E Camp Conery at Lake Almanor was another big success. Led by Honorable CLOD and Past President, Tom Hunter and conference chair, Don Ridenhour, Napa County, forty-nine attendees enjoyed an educational and entertaining program.

CEAC awarded the Surveyor of the Year Award to Stuart Edell, Butte County at the CSAC Annual Meeting, and awarded George Johnson, Riverside County with the Engineer of the Year Award. CEAC said good-bye to several long-time members in 2010, people that had significant contributions to CEAC and the engineering profession in general. In recognition of their past contributions, Bill McIntosh, Treasurer Emeritus, and affectionately known as "Old Crow" and Verne Davis, better known in the CEAC ranks as "Whooping Crane" were both awarded CSAC Circle of Service awards at the annual meeting. Scott McGolpin, Santa Barbara County was the lucky recipient of the

Buffalo Bull Award, and Marlene Demery received the Buddy Award. Once again, this year's conferences were very successful, serving as an educational opportunity for public works directors and their staffs, and networking among peers.

For the first time in CEAC history, the CLODS nominated and installed a female as CEAC President. Julie Bueren, Public Works Director, Contra Costa County was installed as CEAC President during the Annual Meeting in Riverside, November 19, 2010.

Joined by over 40 CEAC members in Fort Worth, Texas, Phillip Demery, Public Works Director, Sonoma County was installed as NACE (National Association of County Engineers) President for the 2010-2011 term. CEAC is proud of Phil and his accomplishments, and we look forward to hosting NACE 2014 in San Jose in celebration of CEAC's 100th Year Anniversary.

CEAC's Oversight and Special Tasks committee continued to refine Vision 2012, and look forward to implementation in 2011.

The CEAC website has proven to be a valuable resource for our members, providing an up-to-date calendar of all CEAC-related events, conferences, news articles, and more.

After implementing a "Call for Nominations" process in 2009 that allows all qualified county members to submit applications to CEAC for appointments to outside committees, CEAC appointed Jim Porter, San Mateo County to the Traffic Records Coordinating Committee (TRCC), and Dace Morgan, Santa Barbara County to the Highway Bridge Program Advisory Committee as the Southern California alternate.

Scott McGolpin, CEAC scholarship chair, awarded CEAC scholarships to three very deserving recipients; Louis Johnson, Carolyn Chow and Derek Huang.

California Counties appointed five County Public Works Directors in 2010, while some agencies restructured their public works departments to become "Resource Management Agencies." Due to budget restraints, some agencies finished the year without an official Public Works Director. Two retiring public works officials, Pattie McNamee, Contra Costa County, and Frank Fowler, Fresno County were awarded CEAC Life Memberships. At least four new affiliates joined CEAC in 2010, an ongoing testament to CEAC's value in the engineering community.



On the Horizon in 2011

Transportation Tax Swap & Prop 26 Fix

Our top priority in 2011 is to seek a legislative solution consistent with County Counsel concerns to validate by a two-thirds vote the 17.3-cent Highway User Tax Account (HUTA) and 1.75 percent diesel replacement tax and secures the \$2.5 billion in transportation revenue generated annually from these sources. This remains a significant challenge as the interrelationship between Propositions 22, 26 and the swap has baffled attorneys and has already resulted in divergent opinions regarding the status of the new HUTA revenue stream and the swap in general.



Transportation Funding Clean-up

We will also seek urgency legislation to clarify that Proposition 42 provisions do not apply to the new HUTA (Streets and Highways Section 2103) funds per the transportation tax swap that was adopted in March 2010. The language is necessary to ensure counties know what projects are eligible for the new HUTA funds, and whether the Prop 42 use-it-or-lose-it and maintenance of effort requirements apply. Further, we are seeking a one-year extension on the use-it-or-lose-it requirement for the expenditure of Prop 1B Local Streets and Roads funds due to use of these funds to backfill the loss of HUTA through continual deferrals.

Sponsor Legislation for Expansion of Mitigation Fee

Consistent with CSAC Board action we will also sponsor legislation to extend eligible uses for mitigation fees under the Subdivision Map Act (Act) to transit, bicycle and pedestrian travel to address infill development where road and bridge expansion are not viable. Currently, mitigation fees under the Act are only eligible for road and bridge purposes.

Transportation Needs Assessment

We will also continue our role on the Needs Assessment Oversight Committee to revise the findings of the local needs assessment and pursue support from our regional government partners to continue regular updates into the

future. Further, these findings will be incorporated into the efforts of the California Transportation Commission (CTC) as they develop California's comprehensive, statewide, transportation needs assessment for all modes and systems set for completion in Spring of 2011.

Flood Control Needs Assessment

Movement on the Statewide Flood Control Needs Assessment is expected to ramp up now that funding has been allocated and DWR consultants have been hired. DWR staff has assured us that they remain committed to the principles of the Memorandum of Agreement with CEAC. CSAC staff is currently in the process of coordinating future meetings between DWR and CEAC's Flood Control Needs Assessment Team to discuss a course of action.

Levee Vegetation Management

CSAC will work closely with members of the CEAC Flood Control and Water Resources Committee in pursuing modification to the Army Corps of Engineers policy on vegetation management of Corps built flood control facilities. Specifically, we will be advocating for a policy that considers regional variation across the nation; includes an exemption provision where appropriate; conforms to other federal and state laws; and, includes local government in a transparent and collaborative process.

Solid Waste Management

It is reasonable to anticipate that there will be renewed efforts to introduce legislation regarding extended producer responsibility, plastic bags, increased diversion requirements, the Bottle Bill and conversion technology. In addition, CalRecycle will very likely be seeking stakeholder input regarding a sustainable funding mechanism to support their staffing and program needs. CSAC staff will look to members of the CEAC Solid Waste Management Committee for feedback on such efforts by CalRecycle.

*"The attraction and superiority of California are in its days.
It has better days and more of them, than any other country."
—Ralph Waldo Emerson*





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Since 1914



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