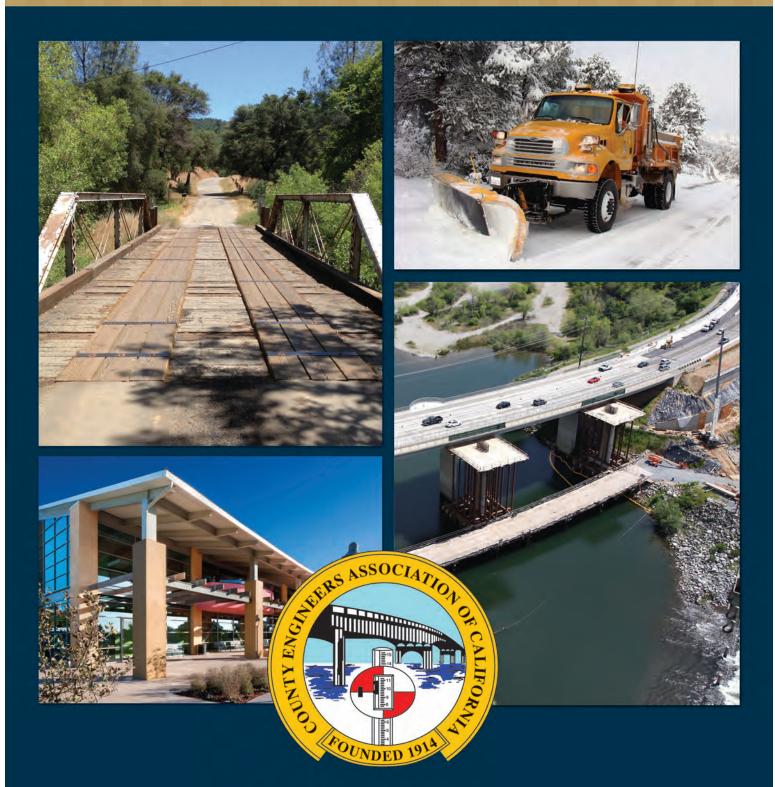
COUNTY ENGINEERS ASSOCIATION OF CALIFORNIA



2013 ANNUAL REPORT

PREPARED BY THE CALIFORNIA STATE ASSOCIATION OF COUNTIES

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.

SINCE 1914

FEATURED COVER PHOTOS:

DOGTOWN ROAD BRIDGE, MARIPOSA COUNTY; LOCKWOOD VALLEY ROAD, VENTURA COUNTY;

WEST COUNTY HEALTH CENTER, CONTRA COSTA COUNTY (PHOTO ©DAVID WAKELY PHOTOGRAPHY); HAZEL AVENUE BRIDGE, SACRAMENTO COUNTY.

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I am grateful that you have given me the opportunity to be president of this great organization in its 99th year.

It was truly an honor to represent the County Engineers Association of California (CEAC) this past year. Through our conferences, regional meetings and committees, I am inspired by all our members and the effort they put forth to improve our organization. The CLODS (California's Loyal Order of Dedicated Servants), CHICS (California's Honorable Intrepid County Sisters), Affiliates and County Members all contribute to the betterment of county engineering throughout the State.

It is remarkable how different all our counties are, but also how many similarities we have when it comes down to the jobs we perform. CEAC shows what can happen when people from many different walks of life and backgrounds put aside their differences and work to improve the lives of our citizens. Many of the issues we face never seem to have solutions, but we never quit. From declining basic revenue sources such as the gas tax, to the supermajority need to pass funding initiatives, we continue to fight the good fight every year to bring sense to the funding sources and rules that govern our operations.

As we move into the future, we need to consider the additional duties that are now under the Public Works umbrella such as Parks, Facilities and Airports – to name a few. In the future, we need to find a way to incorporate discussions on these topics.

We accomplished a lot this year. We negotiated a one-year extension of secure rural roads funding, elevated safety issues on our road networks to the top levels of State and Federal transportation partners, and delayed the "Buy America" provision of MAP-21 in order to keep millions of dollars in transportation projects from being shut down as the economy still struggles to recover. At our spring conference with the League of Cities, we conducted a brain storming session that covered our issues with federally funded projects. We are hopeful the session will lead to a more efficient process in the future. It is important to me to thank Caltrans for their effort in finding out what issues counties face instead of responding "that's the way it is." In California, the strong partnership between local agencies and Caltrans' local assistance is what makes the federal system work for us.

Our organization has some of the best people working for it who have helped me through this year. This includes the Board of Directors and the CLODS, who help direct this organization as well as mentor me. Merrin Gerety, who kept me on time and on task, always helping to ease my workload. Our CSAC partners DeAnn Baker, Karen Keene, Kiana Buss, Cara Martinson, and Chris Lee for their continued advocacy efforts on our behalf, and staffing our committees and keeping us informed of all the legislative issues that may impact our organization. And of course, Patti Hughes, who makes sure all of our conferences are successful.

I have been fortunate to get to a place in life where I don't have to work, I get paid to do what Confucius recommended many years ago – "choose a work that you love and you will never have to work another day." CEAC certainly fits that model, and I look forward to continually contributing to this organization in the future.

Finally, I want to welcome our 2014 president, Mr. Scott McGolpin from Santa Barbara County. Mr. McGolpin will have the fun of presidency during our 100th year anniversary as well as all the "other duties as required."

Thomas Mattson, Public Works Director Humboldt County

CLODS; CALIFORNIA STATE CAPITOL (STOCK IMAGE); WEST COUNTY HEALTH CENTER, CONTRA COSTA COUNTY (PHOTO ©DAVID WAKELY PHOTOGRAPHY).





For the first time in many years, California started the new year, legislative session, and budget season without a substantial state budget deficit.

In large part due to the passage of Proposition 30 in November 2012, the Legislature and Administration were able to switch their focus from cutting programs, services, and projects to improving the efficiency and effectiveness of government at every level. This included continued efforts to realign a significant share of the state prison population to county jails and to rehabilitate offenders to reduce recidivism and align county and state services to the populations in greatest need. A realignment of programs, responsibilities, and funding also occurred in the health and human service area with implementation of the federal Affordable Care Act (ACA). Without CSAC's tireless work, counties would have faced vast new responsibility without adequate resources.

In the 2012 Annual Report we penned hopefulness about turning attention to the State's crumbling infrastructure. Appropriately, a vast majority of time and attention, within CSAC and the Legislature and Governor's Office, was dedicated to implementation of the ACA and as such addressing infrastructure deficiencies (i.e. identifying new revenues) did not rise to the top of the political and policy agenda. While transportation stakeholders are still actively working on proposals for new revenues, 2014 is a gubernatorial election year so the fate of a potential bond measure is difficult to predict at this time. The more positive state budget outlook allowed for Legislators to begin focusing once again on other important policy issues, including reforms to the California Environmental Quality Act (CEQA), cap and trade, solid waste issues and a state water bond measure. Building on this momentum, CSAC worked in close partnership with CEAC on a number of these issues, including sponsoring a bill on solid waste conversion technology. While many of these issues were not resolved this year, including efforts to make changes to the 2014 water bond measure, an important foundation was laid that will serve as the basis for ongoing policy discussions in 2014.

The unique relationship between CEAC and CSAC continues to flourish as evidenced by the following report which describes the legislative, regulatory and administrative work performed by CSAC staff on behalf of CEAC. While counties will always face statewide challenges – old and new – 2013 was a successful year for California's 58 counties. ▲

HEALTHCARE (STOCK IMAGE); UPPER SAND CREEK BASIN, CONTRA COSTA COUNTY.





TRANSPORTATION

The CEAC Transportation Committee provided support and technical expertise to CSAC staff throughout 2013 – which is critical to our success in the Legislature, working with the Administration, and engaging in coalitions with our local government and transportation partners. The following provides an accounting of the areas of collaboration between CSAC staff and the CEAC Transportation Committee on the most critical issues in 2013.

STATE BUDGET

Transportation Funding

Except for the on-going diversion of Transportation Tax Swap (Tax Swap) revenues, also referred to as new HUTA revenues, related to off-highway vehicles (OHVs) for General Fund purposes, HUTA revenues were fully funded in the FY 2013-14 State Budget. The Board of Equalization (BOE) increased the new HUTA tax rate on July 1, 2013 by \$0.035, from the FY 2012-13 rate of \$0.360 to a FY 2013-14 rate of \$0.395. Pursuant to the Tax Swap, the BOE must annually adjust the new excise tax rate in order to achieve revenue neutrality with what the former Prop 42 and spillover would have otherwise generated for transportation. Counties are cautiously anticipating \$460 million in new HUTA funding and \$500-\$550 million in old HUTA revenues (old HUTA refers to the base \$0.18 excise tax).

The BOE's annual adjustment for FY 2013-14 has been the largest increase to date. Unfortunately this highlighted potential problems with the methodology for the annual tax rate adjustment. It has come to light that the BOE and the Department of Finance (DOF) use different assumptions for calculating the tax rate adjustment and overall revenue projections in the budget. DOF forecasting models suggest the BOE overestimated gasoline consumption and the average price of gas in FY 2013-14. If the DOF's forecast turns out to be more accurate, counties (and cities and the State) could see as much as a 23% reduction in new HUTA revenues in FY 2014-15 to make up for the overly high tax rate adjustment this fiscal year. CSAC staff began conversations with the State and our local government partners on potential options for minimizing the potential volatility in the annual true-up process. These conversations will continue into 2014 until we find a mutually agreeable solution.

Transportation Tax Swap – Off-Highway Vehicle Diversion

CSAC has gained support from a core coalition of transportation stakeholders to seek a fix via legislation, the budget, or a ballot initiative to return the diverted OHV funds to the Tax Swap. Recall that an unintended consequence of the Tax Swap is that the State Controller has been withholding certain new HUTA revenues pursuant to pre-Swap Revenue and Taxation Code sections. Specifically, existing law directs a specified percentage of old HUTA revenues attributable to OHVs to special funds including the OHV Trust Fund. This provision of law applies to the old HUTA but was not intended to apply to the new HUTA. This increment of funding is not constitutionally protected (approximately \$128 million annually); therefore the State has been further diverting it from OHV purposes to the general fund. The CSAC led coalition will continue our efforts in 2014 to ensure transportation revenues are being fully realized.

Enhanced Transportation Bond Program

Siting significant bond debt pressure on the General Fund (expected to total over \$1 billion in FY 2013-14 and continue to grow into the future), the Governor proposed and the Legislature ultimately adopted a new truck weight fee revenue bond program that authorizes the direct payment of transportation General Obligation (GO) bond debt service from truck weight fees. Currently, truck weight fees are used to backfill the General Fund for GO bond debt service. The result of the new program should be a higher credit rating and better financing for existing transportation bond debt. However, some transportation funding advocates are targeting weight fee revenue as a stop-gap measure to provide nearly \$1 billion in funding for much needed transportation infrastructure improvements until a new source of revenue, such as a new user fee, can be identified and implemented. The creation of the enhanced bond debt program complicates the ability to return weight fees to transportation infrastructure - something on the horizon for 2014.

OHV (STOCK IMAGE); COMMERCIAL TRUCK (STOCK IMAGE); SANTA FE AVENUE NORTH, SAN DIEGO COUNTY.



STATE LEGISLATION

CSAC had a number of legislative wins in the 2013 legislative session. The following are highlights of the most significant legislative victories:

AB 22 (Blumenfield) - Failed Passage

AB 22, by Assembly Member Bob Blumenfield, would have required any city or county that has an ordinance that requires the city or county to repair or reconstruct streets, sidewalks, or driveways damaged as a result of tree growth, to obtain voter approval before repealing that ordinance. CSAC opposed a similar measure introduced in 2012 and we continue to oppose this policy proposal as it creates a dangerous precedent, undermines the role of county boards of supervisors, and creates a disincentive for local governments to assist with the costs of sidewalk repairs. Due to continued opposition from CSAC and the League of California Cities (League), this measure did not move in 2013.

AB 195 (Hall) - Chapter No. 121, Statutes of 2013

AB 195, by Assembly Member Isadore Hall, extends the sunset date on existing design-build authority granted to counties to July 1, 2016. Existing law, which is currently set to sunset on July 1, 2014, authorizes counties to use an alternative bidding procedure, design-build, for specified construction projects in the county with a project cost of more than \$2,500,000.

AB 755 (Ammiano) - Chapter No. 593, Statutes of 2013

AB 755, by Assembly Member Tom Ammiano, requires that project study reports (PSRs) for a project involving the construction of a new bridge or the replacement of an existing bridge with a history of documented suicides - identified in a regional transportation plan, interregional transportation improvement program, or the state highway operation and protection program - include a document demonstrating that a suicide barrier was a feature considered during the project's planning process.

CSAC had significant concerns with the measure as introduced, which would have required a city or county to take into consideration the need for a suicide barrier during the planning process for a bridge reconstruction or construction project in order to be eligible for specified federal and state funds. CSAC was successful in achieving amendments to the bill to eliminate our most serious concerns, which included the broad application to all bridges in California regardless of whether there was a history of suicide or the design of the bridge, its connection to a variety of critical transportation funds including HUTA revenues, and creating new liability.

SB 328 (Knight) - Chapter No. 517, Statutes of 2013

SB 328, by Senator Stephen Knight, will, until January 1, 2018, allow a county, with approval of the Board of Supervisors, to use construction manager at-risk construction contracts for erecting, constructing, altering, repairing, or improving buildings owned or leased by the county. Only public works projects costing in excess of \$1 million are eligible. The measure allows a county to award the construction manager at-risk construction contract using either the lowest responsible bidder or best value method. CSAC supported this San Bernardino County sponsored effort as it provides an additional tool to delivery public works infrastructure projects.

SB 791 (Wyland) – Failed Passage

SB 791, by Senator Mark Wyland, would have required legislative approval by a two-thirds vote to adjust the fuel excise tax rate pursuant to the Tax Swap. Further, the measure would have require the DOF to annually calculate the fuel excise tax rate rather than the Board of Equalization and report to the Legislature before March 1 of each year. CSAC was in strong opposition and assisted in ensuring this measure did not move during the 2013 legislative session. This is not the first legislative effort to undo part of, or modify, the Tax Swap, and CSAC will continue to strongly oppose this and other similar efforts in the future.

FORESTHILL BRIDGE, PLACER COUNTY.



OTHER EFFORTS

Misallocation of New HUTA Revenues

CSAC staff dedicated significant time and effort in 2013 to bring resolution to an important Tax Swap implementation issue, specifically the misallocation of new HUTA revenues. After reports from a number of counties that FY 2012-13 monthly new HUTA revenues were not meeting projections, CSAC, working with the League engaged the State Controller's Office (SCO), DOF, and the California Department of Transportation (Caltrans) to determine the source of the volatility and explore remedies.

CSAC's reconciliation effort determined that Local Streets and Roads (LSR), the State Highway Improvement Program (STIP), and the State Highway Operation and Protection Program (SHOPP) were overpaid new HUTA in FY 2011-12 and FY 2012-13. Based on the reconciliation, counties, cities, and Caltrans had to pay the overage back to the State Highway Account (SHA) with FY 12-13 new HUTA revenues. As a result, counties had to revise their FY 2012-13 budget assumptions towards the end of the fiscal year. In total, LSR was overpaid \$189 million in FY 2011-12 and FY 2012-13.

The misallocation of revenues was related to difficulty in implementing the Tax Swap and the weight fee transfer. Fortunately, due to the interaction between CEAC and CSAC, staff was able to identify the issue and bring about a resolution whereby counties are now receiving the appropriate amount of new HUTA on a monthly basis. CSAC staff and the members of the CEAC Transportation Committee remain vigilant in tracking monthly HUTA revenues to counties to ensure this or other potential issues do not result in a loss of funding to counties.

MAP 21 – State Implementation

The State continued to implement the federal surface transportation program – Moving Ahead for Progress in the 21st Century Act or MAP 21 – administratively for FY 2013-14. Recall that when Congress enacted a new transportation authorization measure in the summer of 2012, over 100 programs were consolidated into 30 programs with a focus on a handful of core programs. As a result, CSAC and a broad spectrum of transportation stakeholders worked with the State to develop an implementation process that preserved funding for the top statewide transportation infrastructure priorities such as preservation, safety, and active transportation. CSAC continued to monitor implementation efforts in 2013 to ensure counties received historical shares of funding for bridge and roadway safety and maintenance and preservation activities.

At the time of this writing, CSAC is also working with Caltrans and the Federal Highway Administration (FHWA) to determine the impacts of the enhanced National Highway System (NHS). Currently pending further guidance and resolution if what to do about the approximately 5,700 locally owned roads that are now on the NHS and require different design standards, have different performance metrics and requirements, and are also eligible for National Highway Performance Program funding. CSAC was, and remains, active in conversations over the development of federally required performance targets and measures and the eventual state and regional development of targets.

Further, CSAC monitored implementation efforts at the federal level. Consistent with existing policy, CSAC weighed in with FHWA on the issue of increased truck size and weight. MAP 21 required FHWA to undertake a study to determine the impacts on increased truck weight and size on national transportation infrastructure. CSAC encouraged FHWA to include impacts to the local system from potentially heavier and longer trucks, which would increase the deterioration of pavements and bridges across California. Additionally, CSAC has worked on and will continue to participate in conversations over the development of federal guidance on new project delivery and environmental streamlining.

DOGTOWN ROAD BRIDGE, MARIPOSA COUNTY; MATILIJA CANYON ROAD RESTORATION, VENTURA COUNTY.





New Revenues for Transportation

California's immense transportation infrastructure needs are well documented. The 2012 California Statewide Local Streets and Roads Needs Assessment found that the 10-year funding shortfall for the local system alone is \$82 billion. California must restore and evolve our multi-modal transportation system into a safe, efficient, costeffective, and environmentally friendly network if we want to meet other statewide goals of importance including building sustainable, safe, and healthy communities and fostering a strong economy. In order to achieve this, transportation decision-makers and policymakers must use every existing dollar to its fullest potential, but also find new sources of revenue.

While the Legislature did not take action on any of the various proposals that would have generated new revenue for transportation in 2013 (including a CSAC co-sponsored measure that would dedicate Cap and Trade auction revenues derived from fuels to transportation infrastructure, described in more detail below), CSAC engaged with the Administration, the Legislature, and transportation stakeholders in a continued dialogue about the source, amount, and for what purposes new revenues should be dedicated. Mainly, CSAC participated in the newly created California State Transportation Agency's (CalSTA) California Infrastructure Priorities (CTIP) Working Group – which replaced the California Transportation Commission's 2012 efforts related to recommendations for new revenue. The CTIP Working Group, in addition to prioritizing the most immediate transportation infrastructure needs, was charged with exploring long-term funding options for additional investment into the system, and evaluating the level of government best equipped to deliver transportation projects. Beyond this, the CTIP Working Group also investigated innovation and efficiencies described above to maximize our current and future investments.

While the final outcome of the CTIP Working Group effort is still in draft form at the time of this writing, CSAC's participation ensured that the local system was considered when reviewing infrastructure needs and ranking priorities for existing and future revenues. More

than just pavements, the local system includes a network of locally owned and operated bridges, bicycle and pedestrian facilities, and the essential components (curbs, storm drains, sidewalks, stop signs, and traffic signals) that tie the system together. With significant focus on green transportation and active modes of transportation, the local system will continue to provide the right-of-way for mass transit, bicyclists, and pedestrians.

Active Transportation Program

The Legislature enacted Governor Brown's proposal to consolidate five different state and federal programs that fund bicycle, pedestrian, and mitigation projects into one core program focused on active transportation. It is anticipated that the new Active Transportation Program (ATP) will provide a more efficient and effective process for allocating these funds. The CTC is charged with developing guidelines for future ATP grants including a schedule and procedures, project selection criteria, performance measures, and program evaluation. CSAC is currently participating in the process to develop this guidance. Our goal is to ensure that performance measures are accurate but not overly burdensome to project applicants and that regional agencies retain flexibility to determine disadvantaged communities in their area (the ATP requires that at least 25% of funds benefit disadvantaged communities).

AB 720 Implementation

CSAC assisted counties with various issues related to AB 720 implementation in 2013. AB 720 (Chapter No. 683, Statutes of 2011) limits the ability of certain counties (those under the California Uniform Public Construction Cost Accounting Act and with a population of 50,000 or more) to perform new road construction and road reconstruction by force account pursuant to road commissioner authority. The measure took effect January 1, 2013.

In addition to determining the annual cap on force account work, Counties impacted by the new requirements had to devise a process by which to "declare" a county's intention to use road commissioner authority before moving forward with a project.

BIKEPATH, LOS ANGELES COUNTY; LOCKWOOD VALLEY ROAD, VENTURA COUNTY; OLD CREEKROAD BRIDGE, VENTURA COUNTY.







The current statute is not proscriptive and provides counties the flexibility to meet this requirement in a way that meets each Road Commissioner's individual county circumstances. Unfortunately, the Construction Industry Force Account Council (CIFAC) expressed concerns about one method some counties used in 2013 for declaring work (referred to as a "blanket" declaration). In response, CSAC worked with the CEAC Transportation Committee to develop a list of recommended options for declaring work that are amenable to CIFAC as well. CSAC is currently working with CIFAC to codify these options in statute along with other noncontroversial technical clean-up proposals.

Another implementation issue identified by counties this year is the reliance on the State Controller's Annual Streets and Roads Report. The SCO has not been publishing reports in a timely fashion over the past couple of years (due to staff and resource constraints) but AB 720 requires up to date information to be most effective. We continue to engage with CIFAC and the SCO to bring a reasonable resolution to this outstanding issue to ensure implementation moving forward is smooth.

California Statewide Local Streets and Roads Needs Assessment

CSAC continued work on the Statewide Local Streets and Roads Needs Assessment in collaboration with our partners at the League and the regional transportation planning agencies. The 2012 Report is still serving CSAC well, and in 2013 specifically helped frame the conversation on new transportation revenues under the framework of the CTIP Working Group. CSAC is already at work with Nichols Consulting Engineers and the Oversight Committee on the next update, which we intend to release in late 2013. An exciting addition to our needs assessment effort this year was the creation of the Outstanding Local Streets and Roads Project Awards Program. It was developed to recognize and raise awareness of the exceptional achievements made by California's counties and cities to preserve and protect the public's investment in the local street and road system. CSAC and the League will present the inaugural awards at the annual Public Works Officers Institute/CEAC Spring Conference in 2014.





Cap & Trade: CSAC staff continued our efforts to secure a significant share of the fuels related portion of cap and trade auction revenues for transportation purposes in 2013.

Specifically, CSAC is a Steering Committee Member of the Transportation Coalition for Livable Communities (TCLC) which has developed a program concept centered on this goal. This program concept was introduced in legislation in 2013 (AB 574, Assembly Member Bonnie Lowenthal) and would create the Sustainable Communities Infrastructure Program. The purpose of the program is to invest cap and trade auction revenues derived from fuels into transportation and sustainable communities infrastructure to reduce greenhouse gas (GHG) emissions and to address infrastructure needs that are critical to the development and support of sustainable communities. Guided by state criteria, AB 574 would use the existing regional structure to advance a competitive grant program to incentivize and foster innovation at the local level. Projects awarded funds under the program would integrate land use changes with transportation infrastructure investments to achieve cost-effective GHG emissions reductions.

In addition to funding for transportation, CSAC participated in a local government cap and trade coalition this year with the goal of securing a portion of cap and trade auction revenues for local governments for GHG emissions reduction projects related to energy, water, solid waste and resource issues at the local level. The proposal, contained in AB 416, by Assembly Member Gordon, would develop the Community Investment and Innovation Program and would allow local governments to serve the state as a delivery mechanism on GHG reduction projects with funding from cap and trade auction revenue. The new grant program would be coordinated through the California Air Resources Board (CARB) and the Strategic Growth Council (SGC), allowing local governments to competitively apply for grants to implement projects at the local and regional level that assist the state in reaching its AB 32 goals while also providing local co-benefits. The program would allow for a wide variety of GHG reducing projects except for those related to transportation, as that is the subject of a separate but complimentary effort, as noted above.

While CSAC is fully engaged in the TCLC and the Local Government Coalition, the Governor was successful in achieving a \$500 million loan from cap and trade auction revenues to the State's General Fund in the FY 2013-14 State Budget. Consistent with this action, none of the cap and trade legislation introduced in 2013, including AB 574 and AB 416, made it through the entire legislative process and to the Governor's desk. CSAC continues its coalition efforts on our two cap and trade proposals.

AB 32 Scoping Plan Update

CARB is in the process of updating the AB 32 Scoping Plan, which is the framework for how California will achieve its GHG reduction goals. CSAC in partnership with CEAC commented on the updated version of the AB 32 Scoping Plan and participated in a number of workshops and meetings on this topic. The update is required by law and focuses on California's progress thus far and what is needed over the next six years to achieve our 2020 goal of achieving 1990 levels of GHG emissions.

It is also expected that the updated Scoping Plan will help drive the investment of cap and trade funds that are expected to be allocated through the budget process beginning in 2014. As noted above, CSAC has been working to direct cap and trade funds to local governments for a number of different purposes.

SB 375 Implementation: Developing Sustainable Communities Strategies

With implementation of SB 375 fully underway – seven regions have developed the required Sustainable Communities Strategy (SCS) and all 18 Metropolitan Planning Organizations will adopt within the next 12 months – CSAC continues to monitor the progress of the development of SCSs pursuant to SB 375 (Chapter 728, Statutes of 2008). While much of 2012 was spent watching the four major MPOs develop and adopt their first ever SCS, the conversation in

STAR STREET, SAN JOAQUIN COUNTY; UPPER SAND CREEK BASIN, CONTRA COSTA COUNTY (RIGHT TWO PHOTOS).





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2013 has switched to ensuring the regional plans are successful and don't just turn into another unfunded planning document on the bookshelf. As mentioned above, CSAC is working on securing cap and trade funds to support implementation of SB 375 and other regional and local greenhouse gas reduction plans and projects.

CSAC staff also monitored the conversation around SB 375 implementation to ensure the original negotiated agreement for a bottom up approach is kept intact. Due to a high-profile local development decision in mid-2013, there was, and likely still continues to be, a renewed interest in requiring local land use decisions to be consistent with the adopted SCS in the 18 MPOs statewide. CSAC will continue to advocate for the existing decisionmaking structure in SB 375 as well as funding for local planning efforts. Another issue surfacing is how to better incorporate school siting into local and regional planning efforts to encourage healthy schools and school site planning that is consistent with other compact growth and GHG emission reducing goals.

Land Use

The CEAC Land Use Committee provided support to CSAC staff on the following specific issues in 2013. Furthermore, the Land Use Committee continues to serve as a venue for discussing a multitude of land use related public works issues at the three CEAC conferences annually.

Rule 20A: Undergrounding Utility Projects

CSAC staff continued working with the CEAC Land Use Committee to monitor the progress on having counties' concerns addressing regarding the Rule 20A Program for the undergrounding of electric facilities. In 2012, a number of counties raised concerns regarding new requirements PG&E began implementing for Rule 20A funds without local agency or public input. Our significant efforts in 2012 were very productive and at the time of this writing, are very close to a final resolution. CSAC staff will continue to monitor the progress and ensure a final resolution is achieved in 2014.

CEQA Reform

The Senate President Pro Tem Darrell Steinberg was behind an effort this year to develop reforms to the CEQA after the departure of Senator Michael Rubio, the main champion of CEQA reform in the Legislature. In anticipation of this effort, CSAC in collaboration with CEAC, convened a working group comprised of county counsels, planning directors and public works directors to draft a set of general principles and policy statements to guide CSAC's advocacy efforts in the reform discussion. The group met and developed a draft document outlining a number of priorities for counties, which was adopted by the CSAC Board of Directors. With this framework in place, CSAC staff worked in partnership with a Public Works Coalition to tackle CEQA reform. The Coalition, which included local government associations as well as the California State University, water districts and many other public organizations, worked to provide meaningful input and amendments to Senator Steinberg's CEQA reform bill, SB 731. While CEQA negotiations stalled in the last nights of the session, the Coalition was able to negotiate a set of amendments that nullified any negative impacts of SB 731. While major reform efforts did not materialize, there were a few provisions of SB 731 that were captured under another vehicle signed into law, SB 743 (Steinberg), that apply statewide to provide some CEQA streamlining associated with development within a Transit Priority Area and consistent with SB 375).

OIL REFINERY (STOCK IMAGE); GRAZING GOATS, LEVEE VEGETATION REMOVAL, CONTRA COSTA COUNTY; SOLAR PANELS, VENTURA COUNTY.



FLOOD CONTROL AND WATER RESOURCES MANAGEMENT

Consistent with prior years, CSAC continued to draw upon the expertise of the CEAC membership and, in particular, the members of the CEAC Flood Control and Water Resources Committee.

CSAC staff continued to dedicate significant time and resources to efforts related to the flood control and water resource management, including implementation of the statewide flood control needs assessment, SB 5 clean-up legislation, stormwater permit issues, fee increases, the State wetlands policy proposal, and the proposed 2014 Water Bond.

Statewide Flood Control Needs Assessment

CSAC staff and CEAC's Flood Control Needs Assessment Team continued its work with the Department of Water Resources (DWR) on finalizing the statewide flood control needs assessment, formally referred to as "California's Flood Future Report: Recommendations for Managing California's Flood Risk". A public review draft of the report was released on April 3rd of this year by DWR and U.S. Army Corps of Engineers. CSAC and CEAC assisted DWR with their outreach campaign, which included statewide workshops, tool kits and webinars for public information officers.

The final report was released during California's Flood Preparedness Week, November 4-9. DWR has requested CSAC and CEAC's participation in the next phase of Flood Future which includes the development of an investment strategy.

Our relationship with DWR ensured that counties were intrinsically involved with the drafting of the Flood Future Report which includes statewide data that validates longtime assertions by counties that financial investment in local flood control infrastructure statewide is long overdue. This comprehensive report will be relied on by CSAC and counties to support requests for state and federal investment in flood control infrastructure.

2014 Water Bond

This legislative year ended with two bills vying as the potential vehicles for a revamped state water bond. Both bills, AB 1331, by Assembly Member Anthony Rendon, and SB 42 by Senator Lois Wolk are two-year bills that would essentially cut in half the \$11.14 billion state water bond currently slated to be on the 2014 ballot. AB 1331 proposes a \$6.5 billion water bond titled the *Climate Change Response for Clean and Safe Drinking Water Act of 2014*. Senator Lois Wolk's vehicle, SB 42 also proposes a \$6.5 billion water bond and is titled the *Safe Drinking Water, Water Quality and Flood Protection Act of 2014*.

To date, CSAC has expressed support for water bond funding, such as the Delta protections, regional self-reliance/integrated regional water management, safe drinking water, water conservation and water storage. CSAC has also requested that a statewide flood management element be included in any water bond proposal that goes before the voters. CSAC will work closely with CEAC in finetuning this request for bond funding for local flood infrastructure.

SB 5 Clean-up - Flood Management/Land Use

Through-out the year, CSAC advocated for statutory and administrative that would resolve outstanding implementation issues associated with SB 5 (Machado, Chapter 364, Statutes of 2007) one of the six bills included in the 2007 flood protection package. While one modest clean-up bill, AB 1259, by Kristin Olsen, was sent to the Governor, additional statutory will have to be pursued next year. As for our work on administrative changes, a renewed dialog with DWR resulted in modest but positive revisions to their Draft SB 5 Urban Level of Protection (ULOP) Criteria. These changes address some of the less controversial issues associated with SB 5 implementation. Remaining issues will have to be addressed via statutory changes.

HAZEL AVENUE BRIDGE, SACRAMENTO COUNTY





These issues include unrealistic flood risk finding requirements for all types of discretionary permits, geographic scope of the SB 5 requirements, and the impact of requirements on infill development.

STATE REGULATION

Proactive actions by CSAC staff to elevate the relevance and importance of county participation in state policy and rulemaking decisions proved invaluable. New and improved relationships were forged with officials from the DWR, Department of Fish and Wildlife (DFW), and the State Water Resources Control Board (Water Board). Our access ensured that counties were intrinsically involved with DWR's drafting of the Flood Future Report and the SB 5 Urban Level of Flood Protection (ULOP) Criteria. In addition, while the rulemakings and proposed policies of the Water Board remain a challenge, the Water Board members and staff have been willing to meet with us on issues of importance to counties, including the storm water permits and proposed policies regarding wetlands and trash.

Storm Water Permits/Fees

In November of last year, CEAC members expressed concerns with a potential action by the Water Board to address receiving water limitations (RWL) in municipal storm water permits. Given widespread concern among both cities and counties, CSAC joined with the Rural County Representatives of California (RCRC) and the League in offering comments in support of an iterative process to compliance with water quality standards. In the written communication to the Water Board, our three organizations indicated that the revised RWL language should be specific and clear; encourage watershed management planning and multi-benefit projects; acknowledge that all pollutants cannot be addressed with equal priority; and encourage rather than discourage identification of sources and causes of exceedances. These comments were based upon the technical input provided by CEAC membership. The same points were also expressed last year at the Water Board's November 20 public hearing.

The Water Board is now considering a particular approach to receiving water limitations established in the Los Angeles (LA) MS4 Permit. Again, CSAC joined with RCRC in expressing support for the LA MS4 permit approach which provides for Watershed Management Program (WMP) and Enhanced Watershed Management Program (EWMP) compliance alternatives. This issue has yet to be resolved as the State Board did not make any decisions at the October 2013 hearing or provide for a specific time table.

To address the Board's proposed fee increase on storm water permit holders, CSAC joined with, the California Storm water Quality Association (CASQA), the League, and RCRC in expressing strong concern over the increase. In the written communication to the Board, CSAC, the League and RCRC indicated that storm water permit fees have been disproportionate to the expenditures for the program for many years, which has led to local agency dischargers essentially subsidizing the rest of the programs under the Waste Discharge Permit Fund (WDPF). We urged the Board to take a serious look at these inequities and work toward relieving the undue burden on storm water dischargers.

Unfortunately, the Board approved a 27.5% increase in all storm water permit fees for the current fiscal year 2013-14. While disappointing, the Board suggested several steps to improve the fee development process. Specifically, staff was encouraged to

CALIFORNIA WETLAND PRESERVE (STOCK IMAGE); RAINBOW TROUT (STOCK IMAGE).





start the process earlier every year (January-February) sharing with permittees what the Governor's budget would mean to fees in the coming fiscal year, and to provide more notice time before moving to adoption, including a workshop before an adoption hearing. The Board also suggested a review of the state's storm water program staffing plans to look for efficiencies, and encouraged staff to avoid wild swings in fee increases – from 0% in some years to 20-35% in other years. Lastly, as recommended by CASQA the Board directed staff to review the concept of a rebalance plan that would address the perceived systemic over-charging of storm water permit fees. CSAC will continue to monitor actions by the Water Board to improve the fee development process.

Wetland Area Protection Policy and Dredge and Fill Regulations

For the past several years, the Water Board has been working to develop and adopt a new state wetlands definition, along with a new program to regulate impacts to state wetlands. As currently drafted, the preliminary draft would add unnecessary delay and costs to projects throughout California. A key point of concern continues to be the possible adoption of a state definition of wetlands that is different from the one used by the federal government. CSAC staff remains actively engaged in discussions involving this new policy. After meeting with Water Board staff and members over the past couple of months, it is our understanding that Board staff intends to complete its internal review in November 2013 with the objective of releasing a draft by the end of 2013 to start the formal rulemaking process.

CSAC and others have asked Governor Brown to ask the Board to postpone activities in the development of this new policy in light of recent action by the U.S. Environmental Protection Agency and the Corp of Engineers regarding federal wetland processes. The new issues will have a direct impact on the Board's process and could create a conflict between the federal wetlands regulatory process and the newly proposed state process. CSAC will continue to keep CEAC informed of any movement by the state regarding this issue.

Department of Fish and Wildlife

Lastly, CSAC staff and members of the CEAC Flood Control and Water Resources Committee met with the director and deputy director of the Department of Fish and Wildlife (DFW). The purpose of the meeting was to introduce the DFW officials to the organization and to discuss past collaboration between CEAC and DFW on regional coordination meetings between counties and DFW staff throughout the State. The director and deputy expressed strong support for reviving the regional meetings as well as regular meetings between CEAC committee leadership and DFW executives. A follow-up meeting is being planned for the 2014 CEAC Spring meeting. ▲

TRUCKEE MARSH, NEVADA COUNTY (STOCK IMAGE)



Solid waste issues took center stage this year as CSAC and the County of Los Angeles County co-sponsored a bill on solid waste conversion technology.

These efforts were borne out of the work of the CEAC Solid Waste Conversion Technology Working Group, which laid an important foundation for CSAC and LA County's advocacy efforts. In addition, several other solid waste proposals related to Extended Producer Responsibility (EPR), organics management and plastic bags made their way through the legislative process this year. CSAC had the opportunity to work in close collaboration with CEAC and other stakeholders to achieve successful advocacy efforts.

Solid Waste Conversion Technologies – SB 804

CSAC focused on building strategic partnerships this year. Most notably, CSAC, working in close collaboration with CEAC, co-sponsored SB 804 with Los Angeles County dealing with solid waste conversion technology. Over the past several years, CSAC staff has worked closely with CEAC to advance the timely development of solid waste conversion technology facilities in California in order to reduce dependence on landfill disposal and generate renewable energy.

With Los Angeles County's largest landfill, Puente Hills, closing in October of this year, CSAC and Los Angeles County Department of Public Works formed a strategic partnership to move a bill forward that would create a pathway for alternatives to landfills in California. SB 804, authored by Senator Ricardo Lara, added conversion technologies to the definition of biomass, which would have enabled the use of thermal, chemical and biological technologies to process biomass material, establishing a clear regulatory pathway for these technologies, while providing them the same incentives afforded to traditional biomass combustion facilities in state law. The bill was not without controversy and CSAC and Los Angeles County staff worked closely with a number of stakeholders to address a myriad of concerns throughout the legislative session. Ultimately, staff was able to guide the successful passage of SB 804 after no less than eleven sets of amendments. Despite this success, in the end, the Governor vetoed SB 804 and urged Cal Recycle to work with stakeholders to address outstanding issues.

CSAC, Los Angeles County and CEAC will continue to work on this issue with the goal of providing incentives and a permitting path for conversion technologies. Staff is currently in the process of assessing next steps for next year.

AB 341 Implementation

Since the passage of AB 341 (Chapter Number 476, Statutes of 2011) in 2011, Cal Recycle has been actively working on the development of a strategy to achieve the new statewide 75% solid waste disposal reduction goal through source reduction, recycling, or composting by the year 2020. The CEAC Solid Waste Committee actively participated in development of comments and provided input at several workshops around the State, encouraging Cal Recycle to focus on funding and incentives and not new restrictions. In October of this year, Cal Recycle released their draft AB 341 Legislative Report. Cal Recycle will present this document, which contains concepts for legislative proposals, to the Legislature in 2014. The proposals suggest ways to achieve the goals of AB 341 within existing authority. CSAC signed onto a joint letter with other waste management interests, outlining a series of recommendations that includes a request for CalRecycle to prioritize and phase implementation of the proposed changes.

STOCK IMAGES.



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CSAC staff will continue to engage in this effort next year as many of CalRecycle's proposed changes would require legislation to implement, while others may be folded into the California Air Resources Board's AB 32 Waste Sector Plan.

STATE LEGISLATION

CSAC actively engaged in a number of other bills related to solid waste this 2013 legislative session. The following are highlights of the most significant legislative measures:

AB 1126 - Chapter No. 411, Statutes of 2013

One vehicle related to solid waste conversion technology did make it through the legislative gauntlet this year. AB 1126, by Assembly Member Rich Gordon and Assembly Member Kevin Mullin, defines several terms to provide clarity and a permitting pathway for solid waste conversion technology facilities that process municipal solid waste. CSAC, in partnership with CEAC, took a support if amended position on the bill due to concerns with select provisions and definitions in the bill. While we are supportive of moving conversion technologies forward, especially with regard to municipal solid waste, the bill establishes narrow criteria for what could be used by a conversion facility. AB 1126 had the support of Cal Recycle and was signed by the Governor.

SB 254 - Chapter No. 388, Statutes of 2013

Legislation related to extended producer responsibility was another focus of the Legislature this year. SB 254, by Senator Loni Hancock, creates a framework for mattress recovery and recycling in California. Specifically, this bill responds to a growing and serious problem for local government organizations related to the accumulation of used mattresses in public spaces, posing serious public health problems and illegal dumping issues. SB 254 requires manufacturers, renovators, and retailers of mattresses to develop and implement a convenient and cost-effective plan to recover and recycle used mattresses generated in this state. CSAC actively supported this measure and is currently in the process of coordinating a dialogue between CEAC and the mattress manufacturers regarding the bill's implementation.

SB 727 – Two Year Bill

SB 727, a measure related to EPR for home-generated pharmaceuticals was made a two-year bill. Specifically, this bill would require the producers of pharmaceuticals to develop and implement a collection system with oversight by Cal Recycle. Work on this measure has continued over the legislative interim and CSAC is meeting with stakeholders and legislative staff to continue to support efforts to develop a statewide pharmaceutical take-back program.

AB 323 - Two Year Bill

Another measure related to solid waste organics management stalled in the Legislature this year. AB 323, by Assembly Member Chesbro, was held on the Assembly Appropriations Suspense File. This bill would require Cal Recycle to adopt regulations to provide that, no later than January 1, 2020, the use of green material as alternative daily cover (ADC) does not constitute diversion through recycling and would be considered disposal. The bill includes a clause that would delay the date of the ADC regulation by up to two years if Cal Recycle determines that there is insufficient infrastructure to handle green material. AB 323 would also require Cal Recycle by 2017 to develop regulations to mandate the source separation of organics for large commercial organics generators. CSAC had expressed concerns with the green waste ADC phase-out and urged the author to consider amendments. CSAC, in coordination with the Rural County Representatives of California (RCRC) and CEAC, also participated in an effort to develop a more measured approach to a mandate on organic waste during the end of the legislative session. We will continue to work on this issue through the legislative process and through efforts to move this through the California Air Resources Board's AB 32 Waste Sector Plan.

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FEDERAL ADVOCACY

CSAC's federal advocates, Waterman and Associates, describe below, some of the notable achievements in the legislative and regulatory arenas, as well as areas where measurable progress has been made.

Army Corps of Engineers Levee Vegetation Removal Policy

CSAC continued throughout 2013 to actively oppose implementation of the U.S. Army Corps of Engineers' (Corps) levee vegetation removal policy. The association also took a lead role in working with key members of Congress on legislation designed to overhaul the Corps' one-size-fitsall policy. In a victory for CSAC, pending Water Resources Development Act reauthorization legislation (S 601/HR 3080) includes provisions that would require the Secretary of the Army to conduct a comprehensive review of the Corps' national guidelines on levee vegetation. In conducting the review, the Secretary would need to consult with representatives of state and local governments, federal agencies, and appropriate nongovernmental agencies.

CSAC also worked with key members of the California delegation to secure report language on levee vegetation in the fiscal year 2014 Energy and Water Appropriations legislation. The Senate language, which was drafted by CSAC and championed by Senator Feinstein, urges the Corps to conduct additional scientific research on the topic and to clarify how it will apply Endangered Species Act (ESA) considerations in its final vegetation policy. The House language, which also is supported by CSAC, references several of the major issues surrounding the Corps' vegetation policy, including potential conflicts with requirements under the ESA. Finally, a resolution drafted and sponsored by CSAC on the Corps' levee vegetation policy was approved by NACo's Board of Directors during the association's Legislative and Annual conferences. The resolution, which made its way through three separate Steering Committees before being considered by the full Board, expresses NACo's support for modifying the Corps' policy to address significant local government implementation challenges. Approval of the resolution ensures that NACo is able to assist in generating broader support, particularly from outside of the state of California, for key modifications to the Corps' vegetation requirement.

Reauthorization of the Secure Rural Schools Act

CSAC has continued its efforts aimed at passage of a longterm reauthorization of the Secure Rural Schools (SRS) and Community Self-Determination Act. While a multi-year package is being developed, CSAC has worked closely with members of the California congressional delegation, as well as with other stakeholders, to secure a short-term funding extension.

GRAZING GOATS, LEVEE VEGETATION REMOVAL, CONTRA COSTA COUNTY; MAINTENANCE DIVISION, PLUMAS COUNTY.





On the long-term reauthorization front, the House approved legislation – the Restoring Healthy Forests for Healthy Communities Act (HR 1526) – that would require the Forest Service to actively manage its commercial timber lands. CSAC, in conjunction the Rural County Representatives of California (RCRC), prepared written comments on the legislation that were shared with the House Natural Resources Committee, as well as with members of the California delegation. The Senate has not yet acted on a multi-year SRS renewal bill.

In the absence of final action on a new reauthorization package, and in a victory for California's forest counties, the House and Senate approved legislation – the Helium Stewardship Act of 2013 – which provides for a one-year extension of SRS funding. Similar to the previous short-term extension, payments to counties would be five percent less than the previous year.

Clean Water Act – Section 404 Permitting

CSAC continued this year to build support for legislation (HR 1296) that would streamline the Clean Water Act's (CWA) Section 404 permitting process. The bill, which was reintroduced in March by Representative Gary Miller (R-CA), would provide a narrow exemption for maintenance removal of sediment, debris, and vegetation from flood control channels and basins.

CSAC has worked closely with Congressman Miller on HR 1296 and has endorsed the legislation. The association also has worked to broaden national support for the Miller bill, including working with the National Association of Flood and Storm water Management Agencies (NAFSMA), as well as with NACo. In response to a request from CSAC, the NAFSMA Board of Directors voted to officially endorse the legislation. And, CSAC and Orange County were successful in obtaining NACo's adoption of a resolution that urges the federal government to improve the CWA Section 404 permit process by the Corps. ▲

BIG TUJUNGA, LOS ANGELES COUNTY; SURVEYOR, LOS ANGELES COUNTY; MAINTENANCE DIVISION, PLUMAS COUNTY.



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CEAC PROGRAM UPDATE

With Julie Bueren, Contra Costa County Public Works Director leading the effort, CEAC embarked on preparations to celebrate its 100th year as an association (1914-2014).

CEAC also provided professional input to CSAC on legislative and regulatory issues in 2013, while offering valuable networking and educational events for its members and affiliates.

Conferences

CEAC's Spring Conference, held in conjunction with the League of California Cities' Public Works Officers Institute February 27-March 1, was another success. Almost 170 public works officials, private sector engineers and numerous retired public works members participated in this year's conference at the Pasadena Convention Center in Los Angeles County. Scott DeLeon (Lake County) was responsible for organizing an educational Northern California Regional conference at the PG&E Camp Conery, Lake Almanor, July 10-12. CEAC's 8th Annual Policy Conference held at the CSAC Conference Center, Sacramento County, September 11-12 was attended by 140 people. Thanks in large part to our affiliate sponsors, CEAC once again maintained a fifty-dollar registration fee for the policy conference. Over 100 CEAC registrants and seven sponsors took part in the 119th CSAC Annual Meeting hosted by Santa Clara County at the McEnery Convention Center in San Jose. The conference marked the kickoff of CEAC's centennial celebration. We were also honored to have NACE President Mark Servi (Barron County, Wisconsin) join us at this year's Annual Meeting.

Awards

Daniel Woldesenbet (Alameda County) was presented the CEAC Engineer of the Year award during the CSAC Annual Meeting, while Gwen Gee, Santa Clara County Surveyor earned the CEAC Surveyor of the Year Award. Rick Tippett (Trinity County) was the recipient of this year's Buffalo Bull award for both his actions and inaction in arranging for speakers at the 2012 Bedroll Conference in Lake Almanor (and his "lame" excuse of blaming it on his wife). Ari DeChellis, spouse of Patrick DeChellis (Los Angeles County) received the Buddy Award, while Doug Wilson (Tulare County, Retired) and George Bradley (Petrochem Manufacturing, Inc.) received the CHICS award.

Membership

CEAC recognized long-time affiliate member, James "Jim" Towns, Western Emulsions with an honorary CEAC membership. Four new public works directors were hired in 2013 including Mitch Crosby (Modoc County), Clint Quilter (Inyo County), Scott Lanphier (Colusa County), Bard Lower (El Dorado County). CEAC said good-bye to several long-time CEAC members that passed away in 2013 including L. Dale Mills (Kern County), Robert L. "Bob" Sans (San Mateo County), Luther Bernard "Luke" Augustson (Tulare County) and L.E. "Ted" McConville (Orange County).

Outreach

CEAC's Oversight and Special Tasks committee, and CEAC's centennial committee, led by Julie Bueren (Contra Costa County), embarked on preparations to celebrate CEAC's 100th anniversary (1914-2014). CEAC retained services of a public relations firm and videographer to highlight CEAC's past 100 years in film. Dubbing the slogan "County Engineers – Protecting California's Infrastructure for 100 years," CEAC kicked off their centennial celebration at the Annual Meeting held in San Jose with the premier of the centennial video. CEAC was also recognized by their county supervisors and received a plaque honoring their longevity as an association.

Scholarships

The scholarship committee received forty-eight applications in 2013, and awarded three two-thousand dollar scholarships to Beau Immel, Fresno State University, Geomatics Engineering Major; Ingrid Verastegui, University of the Pacific, Civil Engineering Major; Alma Carrillo, University of California, Irvine, Civil Engineering Major. ▲



Change is on the horizon in the California Legislature.

With the 2014 gubernatorial election less than one year away, shifts in the legislative leadership are anticipated before the end of the year when term limits compel both Assembly Speaker John Pérez and Senate President pro Tempore Darrell Steinberg to leave their legislative positions. Rumors surrounding their replacements are already surfacing and will undoubtedly continue over the coming months as we get further into the 2014 legislation session. CSAC has enjoyed a close and productive relationship with Senate President pro Tempore Steinberg and will work to continue this close relationship with the incoming leader of the Senate as well as the new Speaker of the Assembly.

Transportation Funding

The significant funding shortfall for transportation infrastructure in California continues to plague counties, cities, regional agencies, and the state. With all stakeholders in agreement that new revenues (coupled with improvements in project delivery) are needed to address critical infrastructure deficiencies, will 2014 provide the right landscape and political leadership to take action? If certain organizations, including Transportation California and the California Alliance for Jobs, have their way, we anticipate a ballot measure in 2014 to at least partially address the revenue shortfall problem. CSAC will remain proactive in ensuring that any new revenues will equitably distributed among the systems, including for the local street and road system for preservation and safety needs. Many predict that 2014 will also be the year the Legislature acts on proposals to reduce vote thresholds for local tax and bond measures. CSAC remains watchful of these efforts. Finally, MAP-21 is set to expire at the end of September 2014. With signification programmatic reforms to the federal program already complete, all eyes are on Congress to address the revenue problem. Without action, the federal Highway Trust Fund will be insolvent and we could face cuts in federal transportation infrastructure investments, a situation that would only exacerbate our failing infrastructure.

Cap and Trade Revenues

The allocation of cap and trade revenues will begin in 2014. CSAC will continue our efforts to direct a portion of these funds to support projects related to Sustainable Communities Infrastructure and local GHG reduction projects. While CSAC is actively supporting two bills related to this topic, it is anticipated that the expenditure of cap and trade funds will be included in the Governor's 2014 budget.

MATILIJA CANYON ROAD RESTORATION, VENTURA COUNTY; STAR STREET, SAN JOAQUIN COUNTY.





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Flood Control and Water Resources

Rulemakings and proposed policies by the State Water Resources Control Board will remain a challenge next year, specifically with respect to dredge and fill activities and trash amendments to the State's Ocean Plan. Gaining support for legislative solutions to address the outstanding SB 5 implementation issues will also remain a challenge in 2014. CSAC will collaborate with DWR in efforts to get the word out to the affected counties regarding SB 5 implementation requirements and upcoming deadlines. In addition, CSAC will continue to work closely with CEAC to ensure that county flood protection and stormwater funding needs are addressed in the revamped water bond, as well as DWR's Flood Futures Report investment strategy.

Solid Waste Management

CEAC will continue to advocate for a clear regulatory path for conversion technologies in California. Efforts to develop a follow up legislative proposal to SB 804 are currently underway. CSAC will continue to engage the CEAC Solid Waste Conversion Technology Working Group along with the Solid Waste Committee for technical input and expertise as we develop any legislative proposal. In addition, CSAC will continue to engage in efforts related to an organic waste mandate either through the legislative or regulatory process.

WEST COUNTY HEALTH CENTER, CONTRA COSTA COUNTY (PHOTO ©DAVID WAKELY PHOTOGRAPHY); PORTER CREEK, SONOMA COUNTY; SANTA FE AVENUE, SAN DIEGO COUNTY; STATE ROUTE 4 BYPASS, CONTRA COSTA COUNTY.



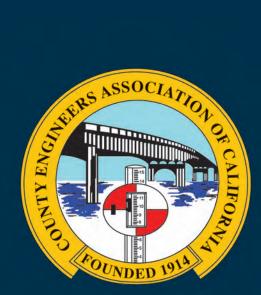






We are made wise not by the recollection of our past, but by the responsibility for our future. — George Bernard Shaw

MOUNT SHASTA, SHASTA COUNTY (STOCK IMAGE



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