

2015 ANNUAL REPORT

COUNTY ENGINEERS ASSOCIATION OF CALIFORNIA



PREPARED BY THE CALIFORNIA STATE ASSOCIATION OF COUNTIES



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 the public.



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It has been an honor to serve as CEAC's president supporting counties and CEAC's members. It is striking how unique each of our counties is, and yet how similar our jobs and issues are within our counties. In serving as president, I realized the strength of the CEAC organization is in the diversity of our members and our unity of purpose. This was especially evident as I worked with CEAC leadership and membership during 2015 to focus on a number of key areas of concern to counties in California, two of which were transportation and storm water.

The most prominent concern for counties was securing new transportation funding. Leadership and membership worked at both the state and federal level on a number of legislative and budgetary proposals. At the federal level, a new federal transportation bill was in "the works" all year and CEAC members identified the most important areas to be addressed in the legislation, including a multiyear bill, dedicated funding for on-system bridges, environmental streamlining, additional funding for the HSIP. When it appeared there was serious momentum happening in Washington to take up and fund a new transportation bill, CEAC representatives traveled to Washington to advocate for changes we believed should be incorporated into a new bill. The trip to DC was successful in that our issues were heard and many of them were addressed in the new federal transportation bill "Fixing America's Surface

Transportation Act," or "the FAST Act," adopted in December of this year.

The FAST Act includes a couple of key policy wins that are a direct result of CEAC's work supporting the advocacy efforts of the California State Association of Counties.

First, the FAST Act opens up funding under the National Highway Performance Program for locally owned bridges that are on the federal-aid highway system, a key CSAC priority. At the same time, the law maintains the local "off-system" bridge funding set-aside, which was a key component of the previous highway bill.

Second, in a major victory for CSAC, the FAST Act creates an environmental "reciprocity" pilot program, which will allow up to five states to utilize state environmental laws and regulations in lieu of federal laws for key transportation infrastructure projects. Under the Act, an approved-State would be permitted to exercise program authority on behalf of up to 25 local governments for locally administered projects. California will be ideally positioned to take advantage of this important new program, and the expertise of CEAC's members will be integral in successfully working with Caltrans to implement a pilot program in our state.





Here in California, there was a great deal of activity regarding potential new transportation funding. Beginning earlier this year, Speaker Atkins announced there was a need for a transportation bill that would increase transportation revenues for the state, counties, and cities. CSAC staff and CEAC representatives engaged early in the effort with the Speaker to articulate the needs and identify potential transportation projects and programs that would be implemented with any new funding that could come available at the State level. While Speaker Atkins never introduced a bill, other focused efforts regarding additional transportation funding surfaced as the year progressed. Senator Beall introduced a bill that would potentially generate new transportation funds in the state to the tune of \$3 billion a year. In addition, the Governor established a special session on transportation funding in the spring. CSAC staff and CEAC members were heavily engaged in all these efforts. At the time of this writing, the transportation special session continues and we are cautiously optimistic we will get a deal in early 2016.

CEAC has continued its support of the Local Streets and Roads Needs Assessment in 2015. This assessment – being expanded and enhanced every two years continues to be a powerful tool to explain and make the case regarding the needs of the transportation system in California, and has significantly evolved the “fix it first” thinking that is permeating agency and public minds throughout the State. Another multi-year funding plan for the Local Streets and Roads report has been adopted to ensure that this document is updated every two years and stays relevant to the needs of Counties in the years to come.

On the storm water front, efforts to increase storm water services funding began this year with Watershed Resources Consulting working for CEAC to pursue relief from Prop 218 requirements for fee changes for storm water services. While

the original strategy to change the Prop 218 requirements does not appear to be feasible, there are still efforts underway to see if there is another approach that can be taken that will provide for the same outcome. This will be a multiyear process to complete.

This past year we had three outstanding conferences full of great content and providing the opportunity to coalesce on common areas of concern to our counties statewide. Thanks to Merrin Gerety for all of her work on the CEAC Spring Conference, Fall Policy Conference, and the Annual Meeting. Thanks also to Matt Machado, Tom Hunter and the CLODS for their work on the Northern California Regional Conference.

In closing, I want to thank the CLODS for inviting me to be part of the CEAC leadership team a few years ago which has allowed me the honor to assume the role of President. Thank you to the Board of Directors of CEAC, the Chairs and Vice Chairs of our committees and our Regional Directors. This organization is as strong as it is today due to the leadership each of you brings to your roles at CEAC. Thank you to our members, sponsors, and affiliates. Finally, I want to thank CSAC staff – Merrin Gerety, DeAnn Baker, Karen Keene, Kiana Valentine, Cara Martinson and Chris Lee. Our organization could not be as strong or as effective without these outstanding folks working with CEAC.

Please join me in welcoming our 2015-2016 President, Matt Machado from Stanislaus County. May we all provide him the support needed to continue to move CEAC forward in 2016. Thank you for your public service and for all of your support this past year.

Michael Penrose, Director Transportation
Sacramento County
2014-2015 CEAC President

REFLECTING ON 2015

For the first time in decades, new revenue for transportation infrastructure topped the agenda in the State Capitol. Governor Brown kicked off new funding efforts in his January budget proposal, making it a primary goal for his Administration, albeit with a specific focus on state highway deferred maintenance. Luckily CSAC was able to build off our sustained work on the Statewide Local Streets and Roads Needs Assessment to elevate the local street and road needs – \$79 billion over the next decade for the maintenance of just the existing system – in the media and Legislature. At one point during the legislative session, a bill (SB X1 1, Beall) was working its way through the legislative process that would have provided counties and cities fifty percent of nearly \$6 billion in new revenue on an ongoing basis.

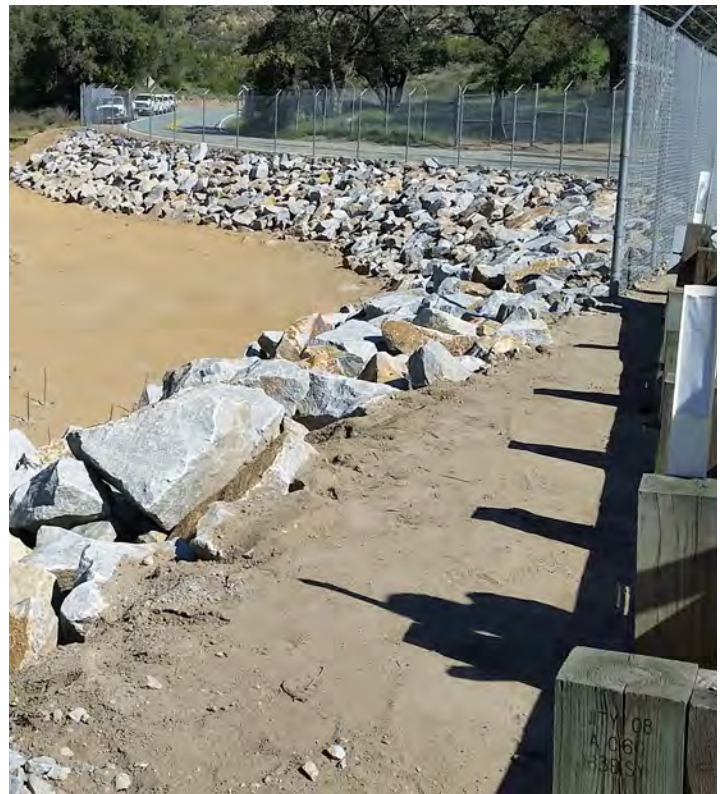
However, as the Legislature shut down the regular session in the early hours on September 11, a bipartisan funding solution remained elusive. In an unprecedented and completely unanticipated turn of events, three of the four legislative leaders turned over in the last few weeks of the session. Many capitol insiders believe this played a large part in the outcome, or lack thereof, on a transportation funding solution. While the special session on transportation and infrastructure development continues into the next year, the 2016 elections draw closer and it becomes more and more challenging to reach an agreement on a package of taxes and other reforms.

The Administration's focus on infrastructure also included efforts to develop a stable funding source for solid waste management activities and facilities through an increase to the state's disposal, or "tip fee." With the passage of AB 1826 (Chesbro) last year, counties are working to develop programs to divert organic materials from our landfills and need additional capacity to help manage this portion of the waste

stream. While no fee increase was passed, CSAC worked closely with the Administration and stakeholders to craft a proposal that would work for local governments. This will be a priority of the Administration as we begin the budget process next year.

As the drought persisted, CSAC also continued to organize educational forums and briefings for county officials, including comprehensive regional workshops regarding the Sustainable Groundwater Management Act (SGMA). CEAC membership also provided valuable feedback to CSAC staff on emergency rule makings relative to the drought and proposed SGMA regulations. Discussions also continued with various stakeholders regarding a constitutional amendment that would create a new, alternative financing mechanism that provides local agencies with the tools to adequately fund flood protection and storm water services.

In addition to the major achievements below, CSAC actively engaged and advocated on hundreds of bills, many from a defensive posture; striving to protect counties from costly and problematic new laws. ▲





Transportation infrastructure funding was a central issue during the 2015 legislative session. Below is a summary of CSAC's efforts to secure robust new revenue for the maintenance and preservation of the existing local street and road system as well as on our efforts on policy issues of importance to county public works departments. As always, the following highlights some of our most important wins in 2015 and should be viewed in tandem with the reports CSAC provided throughout the year on specific legislation of interest to county public works and engineering departments and the CSAC Budget Action Bulletin.

Transportation Funding

As previously mentioned, the Governor kicked off the 2015 legislative session by making transportation funding a priority in his January Budget proposal although he did not identify solutions noting that task is the primary responsibility of the Legislature. Within weeks of the January Budget release, Speaker Toni Atkins and Senator Jim Beall released a transportation funding plan and legislation, respectively. For her part, Speaker Atkins' plan relied on an approximately \$52 a year road user charge (read: registration fee) to generate about \$2 billion in new revenues for transportation annually. Senator Beall introduced SB 16, which would have generated \$3 billion a year annually via a gas and diesel tax increase, increased registration fees, and would have for the first time increased the vehicle license fee and dedicated the revenues to transportation purposes. Both plans/proposals were drafted to sunset in 5-years unless the Legislature reauthorized them and also included repayment of all existing transportation loans totaling \$879 million.

CSAC, working in strong partnership with the League of California Cities, analyzed the impact these funding proposals would have on the condition of local streets and roads. Recall, the 2014 California Statewide Local Streets and Roads Needs Assessment found that the average condition of a local street and road is "at risk". This means that without maintenance and rehabilitation in the near term the infrastructure will rapidly decline into a poor or failed condition. In fact, without a significant investment of new revenue into the local system, approximately 25% of local roads will be in a "failed" condition in 2024. Analysis based on the report showed that even under

Senator Beall's SB 16, which would have provided counties and cities an additional \$1.5 billion a year, the condition of local roads would remain roughly the same. While the plan would help avoid further deterioration, Californians would not notice any overall improvements in their local streets and roads.

In response to this information, CSAC and the League developed a proposal that would provide \$3 billion a year for cities and counties and raises the average condition to "good." Under this proposal, the existing backlog of \$78 billion would be reduced to only \$26 billion and the pavement condition (rated on a scale of 0 or "failed" to 100 or "good") would increase from 66 to 73. The Secretary of Transportation also identified a \$2.5 to \$3 billion a year need for state highways from the Legislature, which resulted in a combined ask of \$6 billion a year for state and local transportation roadway infrastructure.

Achieving the two-thirds vote required to enact tax any increase posed a significant challenge this year; perhaps more so than in previous decades when the gas tax has been increased. Republicans in both houses made it clear that any new funding plan should be completely, or at least substantially, funded from the state's general fund – a non-starter with the Governor and many Democratic members. Additionally, the Republican caucuses introduced a number of related proposals that sought to do more with existing revenues and any new funding through environmental and project delivery streamlining and other reforms. Chief among those proposals was a constitutional amendment to protect existing and new transportation revenues, including truck weight fees currently used to pay off transportation related bonds; eliminating funding for the High Speed Rail project; CEQA exemptions for maintenance and safety projects in the existing road right of way; and reducing perceived waste within the Department of Transportation (Caltrans). For our part, CSAC tried to find consensus points among the houses and parties to build support for a funding package, which needed a non-general fund source of new revenue in order to be robust enough to make a dent in the \$136 billion combined maintenance and rehabilitation need (\$79 billion local streets and roads and \$57 billion state highways).



With momentum waning into the summer, Governor Brown called a Special Session on Transportation and Infrastructure Development to provide special focus and attention on the issue. Special session committees were appointed, bills were introduced and informational hearings held, the Speaker undertook a transportation “road show” in which county supervisors and CSAC played a critical role, and then, and special session committees heard and debated both funding and reforms measures. With the Legislature apparently stalled the Administration released a \$3.6 billion plan just before the final week of session.

The Governor’s plan would stabilize the gas excise tax by eliminating the complicated adjustment process from the fuel tax swap and instead indexing it to inflation, spend \$500 million a year from cap and trade funds, increase the excise tax on diesel fuel, and add a \$65 per year “highway user fee” per vehicle. In addition to supporting local street and road maintenance and rehabilitation through approximately \$1.05 billion in new subventions allocated to jurisdictions by formula, the plan would provide \$100 million for local complete streets projects, provide \$400 million for transit, and allocate \$250 million for a state-local partnership program for counties with self-help transportation measures. The remaining \$1.8 billion would be allocated to state highway operations and maintenance. Unfortunately, it did not appear that the Administration’s plan would have sufficient bipartisan support, so it was not taken up prior to the end of the regular session.

While the Legislature did not act in regular session, both house took procedural votes needed to establish a conference committee and did not adjourn the transportation and infrastructure development special session, which could last until the two-year legislative session adjourns. It’s currently unclear whether we will find success on a new funding package, but counties and CSAC played a critical role in pushing the agenda this far. Individual counties answered multiple requests from CSAC staff to contact their legislative delegations, passed resolutions in support of new transportation revenues and reforms, testified at legislative hearings around the state, participated in press conference, and engaged local media.

At the start of the year, attention was singularly focused on the state highway system, but through the tremendous efforts of counties and our coalition partners, the Legislature, Administration and media are all well aware of the local transportation needs. CSAC even had very strong commitments from a number of key decision-makers that the local system deserved a fair share of any funding package. While the work is not over, CSAC staff still considers our collective efforts a noteworthy success.

Transportation Tax Swap

CSAC invested significant time and effort to pass legislation to bring more stability to transportation tax swap rate setting process. Unfortunately, this issue was caught up in the larger transportation funding debate and was held hostage during the remaining weeks of the regular session to be retained as leverage for future negotiations. The provisions of the gas tax swap require a complicated rate-setting process to ensure that the new excise tax on gasoline raises an equivalent amount of revenue as the former sales tax would have generated. While the former sales tax revenues naturally adjusted to real-time changes in the price of gasoline, the excise rate is currently adjusted only annually. Accordingly, when there are significant fluctuations in gas prices during a single fiscal year, the excise rate must be significantly raised or lowered in one fell swoop. SB 321 would have help remedy the potentially jarring increases or decreases in the excise tax by incorporating recent historical price data into the rate-setting calculation and allowing a semi-annual adjustment if actual prices vary drastically from prior estimates. While SB 321 did not complete the legislative process this year, we are currently working with Board of Equalization staff to look at ways to improve the rate setting process administratively. ▲





TRANSPORTATION STATE LEGISLATION

The following is a brief summary of other transportation legislation that staff worked on this year.

- **AB 323 (Olsen)** was signed by Governor Brown to extend the sunset provisions of AB 890 (Olsen, 2012) by five years. This allows jurisdictions with populations of under 100,000 to utilize a CEQA exemption for safety-related roadway projects that occur within the existing road right-of-way. CSAC sought to expand the CEQA exemption to all 58 counties within the context of a transportation funding package and will continue to seek opportunities to expand this common sense streamlining measure. A similar measure introduced the transportation special session – SB X1 11 (Berryhill) would have expended
 - **AB 1250 (Bloom)** which was signed by the Governor, implements a long-sought compromise on the issue of transit buses that exceed statutory axle weight limits under existing California law. CSAC supports transit, but is very conscious about accelerated deterioration of our already imperiled local roads due to the exponentially greater damage that heavy vehicles cause compared to standard cars. AB 1250 will put pressure on bus manufacturers to reduce axle weights while also recognizing the need to establish heavier limits for electric buses that will help meet California's climate goals. Under the two-tiered system, "standard" transit buses will be subject to a maximum limit of 23,000 pounds, declining to 22,000 pounds by January 1, 2019, while articulated or zero-emission buses will initially have 25,000 axle weight limit, declining to 22,000 pounds for procurement solicitations after January 1, 2022. The bill requires permits for buses travelling over bridges for which they exceed the weight limit and encourage local coordination by requiring operators of articulated buses to provide notice and approximate routes to cities and counties when they operate such buses on local roads.
 - **AB 1347 (Chiu)** would have mandated a new overly-broad claims resolution process on all public contracts with unfeasible time lines, disproportionate requirements and remedies, and duplicative processes. CSAC originally opposed AB 1347 because counties already include a clearly defined claims resolution process in public contracts and the measure would have skewed the process in favor of contractors by adding additional burdens, paperwork, processes, and resources with no added public benefit. CSAC negotiated with the author and sponsors to remove the most troublesome provisions and maintain the existing balance of power to ensure an efficient public contracting process. AB 1347 would have also affected Caltrans contracts. The bill was vetoed by Governor Brown who suggested that prompt payment to contractors was important, but argued that AB 1347 might not improve the existing system for dispute resolution.
 - Consistent with the 2015-16 CEAC Legislative Priorities, CSAC supported two measures aimed at addressing school zone safety. **SB 564 (Canella)** would impose an additional \$35 dollar fine on specific traffic violations within a posted school zone when children are present and invest the revenue in the form of grants for safe routes to school projects under the auspices of the Active Transportation Program. **SB 632**, also by Senator Anthony Cannella, would removing provisions in law that limit the 25 mph speed limit in school zones to time while children are arriving or leaving school or present on the school grounds and extending the maximum distance away from school grounds where the warning signs and speed limit can be posted. These measures are two-year bills and CSAC will continue to support these efforts in 2016.
 - **SB 762 (Wolk)** creates a pilot program allowing seven counties to select the lowest responsible bidder on the basis of best value, which is defined as the best combination of price and qualifications, for construction projects in excess of \$1,000,000. CSAC supported SB 762 as it expands the project delivery options available to counties. It was signed into law by the Governor.
- In addition, CSAC successfully stopped efforts to amend the existing highway relinquishment process. While counties see benefit to moving the existing process to the CTC, rather than require legislative authorization on a piecemeal basis, there were efforts in 2015 to eliminate the requirement that Caltrans enter into an agreement with the recipient of the highway segment and to place the highway in a state of good repair. The relinquishment issue may very well appear in 2016 so CSAC will continue to advocate for a streamlined process that still protects counties from having to accept infrastructure without the appropriate commitments from the state.
- **Local Streets and Roads Needs Assessment**
CSAC will use the 2016 report to continue to educate and raise awareness regarding the importance of the local system and the dire needs facing counties and cities.



Surveying

In 2014, CEAC members with experience in surveying provided advice to CSAC as the association secured amendments to a bill that would have precluded counties from using unmanned aerial vehicles, or drones, to collect surveying and aerial imagery data. The amended bill was ultimately vetoed, and legislators introduced several new bills attempting to regulate drones in 2015. While none of the 2015 bills singled out the potential use of drones by county surveyors or public works departments, bills that would have prevented the operation of drones near prisons, schools and wild fires were all vetoed by the Governor. The Governor also vetoed a bill that extended trespassing provisions to apply to airspace above private property. Given the raft of vetoes this year, CSAC expects drone regulations to be on the legislative agenda again in 2016.

Land Use

The Strategic Growth Council (SGC) oversaw the first round of Affordable Housing and Sustainable Communities (AHSC) Program grants funded by cap and trade auction proceeds. The AHSC Program is intended to fund greenhouse gas emission (GHG) reducing land-use, transportation, housing, and land preservation projects that support infill and compact development. Moreover, projects must be consistent with a Sustainable Communities Strategy (SCS) – the regional planning documents that integrate transportation, housing and land use pursuant to SB 375 (Chapter No. 728, Statutes of 2008) – or another similar GHG reducing plan. The SGC awarded a total of 28 grants within 21 cities and 19 counties that will result in 723,286 metric tons in avoided GHG emissions (the equivalent of taking 140,000 cars off the road for one year). The investment into affordable housing will result in 2,003 units in new housing that is affordable to low-, very low-, and extremely low income households. The grants will also be used for transportation related investments into transit and active transportation improvements.

The Legislature has continuously appropriated 20 percent of ongoing revenues from the cap and trade program for the AHSC Program. At the time of this writing, it's estimated that the FY 2015-16 grant program could be as much as \$400 million, although the Legislature has yet to finalize a cap and trade program appropriation for the budget year. The SGC recently released the Draft Guidelines for the second round of grants to be finalized in December. Among other issues, CSAC advocated for increased grant revenues to fund transportation projects, as nearly 75 percent of the FY 14-15 grant funds went towards housing projects. While affordable housing projects are an important component to SCSs and statewide housing needs generally, the cap on fuels acts like a gas tax, which is the traditional source used to fund transportation improvements in the state. ▲





FLOOD CONTROL AND WATER RESOURCES MANAGEMENT

With the State entering into a fourth year of the drought CSAC staff invested significant amount of time organizing and participating in drought briefings, attending meetings with Brown Administration officials, monitoring a wide-range of drought-related legislation and responding to drought emergency rule makings. Given the active role of many public works departments relative to drought response activities, it was not surprising to see significant participation by CEAC members in the various briefings. They also stepped up to the plate by providing valuable technical feedback to CSAC staff on the emergency rule makings issued throughout the year.

At the time of this report's drafting the drought continues to wreak havoc on many of the State's communities, groundwater basins, fisheries, forests and agricultural industry. While everyone is praying for rain, the prospect of a monster El Nino could test the resources of county governments. At the request of CEAC, CSAC staff has reached out to officials with the California Office of Emergency Services (CalOES), the Federal Emergency Management Agency (FEMA) and the Department of Water Resources (DWR) to urge immediate conversations with county officials regarding winter storm preparation and response. Towards that end, CEAC representatives and CSAC staff met with the CalOES Deputy Director and FEMA staff in early October to discuss the disaster declaration process, the California Disaster Assistance Act (CDAA) and El Nino preparations. While the interaction was positive, the overarching message from CalOES regarding CDAA funding was that its authorization is contingent upon a finding that the severity and magnitude of the event is beyond the capacity and capabilities of local government to respond and recover. They also made it very clear that ultimately it is the Governor who authorizes CDAA.

On a more positive note, the Deputy Director agreed to speak before the CEAC membership and the CSAC Board of Directors during the CSAC Annual Meeting in December. In addition, the CEAC Flood Control and Water Resources Committee at their December meeting also had the opportunity to hear from DWR regarding the State's winter storm preparations.

The following provides an accounting of other areas of collaboration between CSAC and the CEAC Flood Control and Water Resources Management Committee.

Stormwater Funding Initiative

CSAC, with significant technical input from CEAC, continues to represent county interests on the coalition of statewide organizations that came together last year to develop a ballot measure to fund storm water services. Originally, the coalition was interested in pursuing changes to Proposition 218 that would eliminate the current vote requirement to implement local storm water fee increases. Negative polling on this concept and recent court decisions resulted in a smaller subset of the larger coalition taking a different approach. This group which includes CSAC, the League of California Cities, the Association of California Water Agencies and the California Water Foundation are now considering a new alternative mechanism for funding water and sewer services that would amend Article X of the Constitution as opposed to Article XIII D (Proposition 218). Article X addresses the broad category of water. The new approach will include storm water and flood protection services, plus conservation rates, and lifeline rates. If all goes well, the coalition's goal is to have the Constitutional Amendment approved by the Legislature in time for the ballot measure to be on the ballot for the November 2016 election. CSAC has secured Assembly Member Rich Gordon as the author of the legislative proposal that would place the Constitutional Amendment on the ballot.

On a related note, CEAC's consultant on the Storm water Funding Initiative drafted comments for CSAC to submit to the State Water Resources Control Board regarding their "Proposal to Develop a Storm Water Program Workplan and Implementation Strategy and Proposed Project List". The comments stressed the importance of early collaboration with counties and other entities that implement regulatory requirements, and highlighted the fact that the biggest hurdle to implementing storm water permit requirements and achieving storm water objectives is the lack of funding at the local level. The need for a constitutional amendment was also emphasized.



FLOOD CONTROL AND WATER RESOURCES MANAGEMENT

Proposition 1 – The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Bond)

Throughout the year, CSAC monitored and kept counties informed of the State’s parallel two-part Water Bond implementation process that includes required administrative actions, such as guideline development and the budget appropriations process.

In addition, CSAC and CEAC were asked to participate on the California Water Commission’s (Commission) Water Storage Investment Program (WSIP) Stakeholder Advisory Committee (SAC). The SAC was responsible for providing advice and non-binding recommendations to the Commission regarding the process for allocating bond funds for the public benefits of qualified water storage projects. At CSAC’s request, CEAC’s President-Elect, Matt Machado, agreed to be the county representative on the SAC. He provided valuable technical input from a flood protection perspective, coordinated with CSAC staff in providing briefings to the CSAC Water Working Group and submitting written comments to the Commission.

Groundwater

Last year, Governor Brown signed historic legislation enacting the Sustainable Groundwater Management Act (SGMA) which establishes mandatory rules for managing groundwater in California. Given the potential for many counties to have increased responsibilities under the new law, this year CSAC actively engaged in organizing SGMA workshops and briefings for county officials, represented county interests on SGMA clean-up legislation and ensured that the county perspective was addressed in the regulatory process.

In several counties, the public works departments are taking the lead on moving forward with SGMA implementation. Given this new role, CEAC membership was very involved in participating in the various CSAC co-sponsored forums. In addition, CSAC staff arranged for CEAC SGMA briefings during the CEAC Spring Conference, Policy Conference and the Annual Meeting.

Lastly, CSAC has also been actively engaged in the SGMA regulatory process. Early in the year, officials with the Department of Water Resources (DWR) urged CSAC and the Rural County Representatives of California (RCRC) to organize a team of county technical experts to provide early and regular feedback to DWR as they develop policies and regulations to implement SGMA. The CSAC/RCRC SGMA Working Group, which includes CEAC members, has since been formed and serves as the forum for counties to provide their perspective on the proposed regulations. Their feedback formed the basis for CSAC and RCRC’s comments on the Draft Basin Boundary Regulations. Many of those comments were included in the regulations approved by the California Water Commission in October. The CSAC/RCRC SGMA group will very likely continue to provide feedback well into next year. ▲





The following is a brief summary of other flood control/water legislation that staff worked on this year.

Groundwater Management

- **SB 13 (Pavley)** – Watch
Chapter No. 255, Statutes of 2015

SB13 makes numerous technical and clarifying changes to the Sustainable Groundwater Management Act (SGMA). Included among the changes is a provision that authorizes water corporations formed by the Public Utilities Commission and mutual water companies to participate in a Groundwater Sustainability Agency (GSA) by memorandum of agreement or some other legal agreement.

- **SB 226 (Pavley)** – Neutral
Chapter No. 676, Statutes of 2015

- **AB 1390 (Alejo)** – Neutral
Chapter No. 672, Statutes of 2015

SB 226 and AB 1390 make changes to the groundwater adjudication process. SB 226 includes related and necessary changes to SGMA and provides for state intervention in groundwater adjudications. It also addresses how adjudications in high- and medium-priority basins would be accommodated within SGMA without changing any of the policies inherent within SGMA. AB 1390 addresses all the procedural aspects of an accelerated adjudication process. CSAC and RCRC were originally opposed to SB 226 and AB 1390 but succeeded in obtaining amendments to both bills that resulted in the two organizations removing their opposition.

Flood Protection/Land Use – Sacramento-San Joaquin Valley

- **AB 747 (Eggman)** – Support
Chapter No. 152, Statutes of 2015

Co-sponsored by San Joaquin County and the City of Stockton, AB 747 addresses an outstanding issue concerning the implementation of SB 5 (Machado, Chapter 364, Statutes of 2007) – one of a six-bill flood protection package signed into law in 2007. It does so by amending the trigger for requiring a 200-year finding for discretionary permits to only those permits that would result in the construction of a new building, or an increase in allowed occupancy for an existing building.





Solid waste issues continued to be a focus this year with the implementation of the Organics Management Act (AB 1826, Chesbro) and the Administration’s focus on solid waste funding opportunities.

Solid Waste Disposal Fee

The Administration is pursuing an increase to the state’s solid waste disposal fee, or “tipping fee” to address a structural deficit within the Department of Resources, Recycling and Recovery (Cal Recycle) budget and to help fund waste and recycling infrastructure. Under existing law, our state’s solid waste management activities are financed by a per ton disposal fee – currently set in statute at \$1.40 per ton – and requires the operator of a disposal facility to pay the state a fee based on the amount of all solid waste disposed of at each disposal site. Similar models exist at the local level as locally-enacted tipping fees are used to finance local solid waste and recycling programs. As solid waste is successfully diverted from landfills, the revenue source that is tied to this resource also decreases, and the solid waste tipping fee becomes an unsustainable funding source. Furthermore, with the passage of AB 1826 (Chapters 727, 2014), the state established a mandate for commercial organics recycling, creating the need for additional infrastructure to manage this portion of the waste stream.



As the Administration advanced their tip fee proposal, CSAC was an active participant in stakeholder discussions. CSAC staff worked with the Administration and other stakeholders to help craft a workable fee increase, placing emphasis on the need to keep the increase reasonable so as not to preclude counties’ ability to raise their own fees to fund local programs. In addition, CSAC staff urged the Administration to include the cost of the State Water Boards’ Waste Discharge Requirement (WDR) fees in any tipping fee increase. While CSAC engaged in the discussion and negotiations, we did not register an official position on the proposal. We will be seeking input from the CSAC Agriculture, Environment and Natural Resources Policy Committee as discussions continue. This discussion will continue into next session as no agreement has yet to be achieved.

Organics Management

CSAC actively engaged with Cal Recycle on the implementation of AB 1826, the Organics Management Act that was passed in 2014. The law requires businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. AB 1826 also requires that on and after January 1, 2016, local governments across the state implement an organic waste recycling program to divert organic waste generated by businesses, including multifamily residential dwellings that consist of five or more units. Since the passage of this law, CSAC staff has been working with Cal Recycle on outreach and education efforts to ensure that counties have the information they need in order to develop effective local programs. ▲



STATE LEGISLATION

The following is a brief summary of other flood control/water legislation that staff worked on this year.

- **AB 876 (McCarthy)** – Oppose
Chapter No. 593, Statutes of 2015

AB 876 was signed by the Governor this fall. This bill, authored by Assembly Member Kevin McCarthy, places additional planning requirements on counties to estimate the total organic waste generated over a 15-year period and requires jurisdictions to identify specific sites for new and expanded organics recycling locations in a planning document. CSAC was opposed to this bill as we believe it is premature to include additional planning requirements on local governments before we've been able to implement our local organics management plans as required by last year's AB 1826 (Chesbro). In addition, CSAC expressed strong concerns with the provisions of the bill that require counties to identify specific locations for organics management infrastructure as we believe it would lead to additional hurdles for the siting and permitting of these facilities.

- **AB 45 (Mullen)** – Oppose
Two-Year Bill

AB 45 by Assembly Member Mullen consumed a considerable amount of staff's attention this year before it was made a 2-year bill in the Appropriations Committee. This bill would require jurisdictions to create a household hazardous waste (HHW) base line and to meet a diversion requirement for HHW collection. The bill also allows the Department of Resources, Recycling and Recovery (Cal Recycle) to create a model ordinance for a comprehensive diversion program and implement regulations. AB 45 would impose costly requirements on both the state and local governments without addressing core HHW issues, such as who is responsible for the end-of-life management of certain products. CSAC opposed this bill as we felt strongly that it would erode the policy concept of extended producer responsibility.





Despite gridlock on several fronts, Congress was able to make progress on a number of issues of importance to CEAC. 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.

Secure Rural Schools Program

In a major victory for California's forest counties, Congress approved and President Obama signed into law legislation (PL 114-10) that provides a two-year funding extension for the Secure Rural Schools (SRS) program. Under the new law, SRS payments were provided to counties for fiscal year 2014 (retroactive) and for fiscal year 2015. In total, California counties received nearly \$31 million in SRS funding this year. In the absence of a program extension, counties would have instead received timber payments amounting to only \$8.7 million.

On the long-term SRS reauthorization front, CSAC continues to work with key members of the House and Senate on legislation (S 517; S 1925; S 2164; HR 3257) that would provide a multi-year renewal of the program. The four bills also would restore mandatory funding for the Payments-in-Lieu-of-Taxes (PILT) program. While none of the current legislative proposals includes a spending offset, the bills' champions have pledged to work to identify a viable source of funding that would be acceptable to both parties.

MAP-21 Reauthorization Principles

CSAC was extremely active in 2015 in pushing the association's MAP-21 reauthorization priorities. After considerable discussion and debate on Capitol Hill, the House and Senate approved, and the president signed, a five-year highway and transit bill.

The bill increases federal road and transit program funding to an average of \$56.2 billion per year over five years compared to MAP-21's \$52.5 billion per year. Unfortunately, Congress tapped other funding sources rather than tackling the issue of the insolvent Highway Trust Fund, which is funded by federal fuel taxes, head on.

The Act makes more federal-aid highway dollars available to counties for locally owned infrastructure through a revised Surface Transportation Block Grant Program and opens up funding under the National Highway Performance Program for locally owned bridges that are on the federal-aid highway system. The bill also maintains the local off-system bridge funding set-aside, which was a key component of the previous highway bill (MAP-21).

The FAST Act addresses a number of CSAC's transportation policy and funding priorities. Among other things, the bill increases the amount of federal spending for local infrastructure, including the amount of funding available for locally owned bridges. The legislation also creates an environmental "reciprocity" pilot program, which will allow up to five states to utilize state environmental laws and regulations in lieu of federal laws for key infrastructure projects. California will be ideally positioned to take advantage of this important new program.

Waters of the United States

Earlier this year, the Environmental Protection Agency and U.S. Army Corps of Engineers finalized their joint rule aimed at defining "Waters of the United States." While CSAC's position is that the final regulation represents an improvement over previous versions of the proposal, the association has continued to support legislative efforts on Capitol Hill that would require the agencies to further revise the regulation to ensure greater jurisdictional clarity under the Clean Water Act.

WRRDA Implementation

The Army Corps continued efforts in 2015 aimed at implementing various sections of the recently enacted Water Resources Reform and Development Act (WRRDA). In the area of levee vegetation management, CSAC continued to push the Corps to formally include key California county stakeholders in the agency's upcoming policy review. CSAC was the primary champion of language in WRRDA that requires the Corps to undertake a comprehensive reexamine of its levee vegetation policy. ▲



2015 was another successful year for members and affiliates of CEAC. Led by CEAC President, Mike Penrose, Sacramento County, CEAC kicked off the year with a trip to Washington D.C. to advocate for changes we believed should be incorporated into a new transportation funding bill. The trip to DC was successful and we look forward to making a follow-up trip in the future. (Insert photo of advocacy group in D.C).

Conferences

CEAC's Spring Conference, held in conjunction with the League of California Cities' Public Works Officers Institute in Newport Beach, Orange County, March 25-27, was attended by over 170 public works officials, private sector engineers and guests. The Northern California Regional conference held July 29-31 at the PG&E Camp Conery, Lake Almanor, Plumas County has become an extremely popular event not for just California's Northern Counties, but branching out to counties in the Sacramento and San Joaquin valley region too. Representing 35 California Counties, over 120 registrants and 12 sponsors attended the 11th Annual CEAC Policy Conference held at the Capitol Event Center in Sacramento, September 16-17. Over 80 CEAC registrants, 16 CLODS and 9 sponsors took part in the 121st CSAC Annual Meeting hosted by Monterey County at the Monterey Marriott and Portola Hotels. In addition to a slate of excellent workshops, committee meetings and a kick-off to the CLODS 50th Anniversary, we were honored to have NACE President Duane Ratermann, County Engineer for Knox County, Illinois at this year's Annual Meeting.

Awards

Matt Machado (Stanislaus County) was presented with the esteemed Buffalo Bull award for "Creating a Muddy Mess in the Community" at the Spring Conference, while Susan Klassen (Sonoma County) was presented the CEAC Engineer of the Year award during the CSAC Annual Meeting, and Michael Goetz (Monterey County) earned the CEAC Surveyor of the Year Award. Rose Penrose, spouse of Mike Penrose, (Sacramento County) received the Buddy Award, while Pat De Chellis (Los Angeles County) received the CHICS award. In addition, CSAC honored the CLODS for their Golden Anniversary by presenting them a Circle of Service Award at the Annual Meeting in December. 2015 marked the second year of the Streets and

Roads Project Awards coordinated by CEAC and the League of Cities. County award winners included Alameda, Los Angeles and Santa Barbara counties.

Membership

There were several changes to County Public Works leadership in 2015. Joseph Horwedel joined San Benito County as their Director in January; Tony Stobbe joined Mariposa County as their Director in March, Jeff Crovitz joined Calaveras County in March, and Kris Balaji joined San Joaquin County in November.

Outreach

Utilizing CEAC's Facebook page, Twitter feed and CSAC's social media outlets, CEAC reached millions of people through direct posts and retweets. We also worked with CSAC to create a webinar series that explores and explains complex issues such as Proposition 218 reform, the drought and wildfires, and the implications for counties of a pending telecommunications merger. CEAC's Board of Directors also approved a contract for a complete website redesign; a long overdue and much needed facelift for the association.

Scholarships

The CEAC Scholarship committee comprised of Steve Kowalewski, Contra Costa County; Scott DeLeon, Lake County; and Vincent Gin, Orange County received twenty-two applications this year (all civil engineering applications). CEAC awarded three \$2,000 scholarships each to Bridget Garlinghouse, a senior Environmental Engineering major at California State Polytechnic University-San Luis Obispo; Crystal Faqih, a junior at California State Polytechnic University-Pomona; and Alyssa Herperger, a senior Civil/Environmental Engineering major at the University of California, Berkeley. ▲

PAGE 15
• STOCK IMAGE

PAGE 16
• CEAC SCHOLARSHIP RECIPIENTS PICTURED LEFT TO RIGHT:
ALYSSA HERPERGER, BRIDGET GARLINGHOUSE, AND CRYSTAL FAQIH



ON THE HORIZON IN 2016

As we move into the second year of the two-year session, changes in legislative leadership will undoubtedly help to shape the priorities for the year. Newly elected Assembly Speaker Anthony Rendon representing the 63rd Assembly District in Los Angeles county will join Senator Kevin de Leon in taking the reins of the Legislature, and for the first time the Legislature will have two Latinos leaders, both hailing from Los Angeles.

Outstanding legislative issues from the 2015 special sessions on transportation and health care will need to be addressed, but, as we move into an election year it remains to be seen how willing legislative leaders will be to focus on complex policy issues that could involve difficult tax votes.

In addition, the Legislature has punted decisions on the allocation of cap and trade funding to a later date. It is anticipated that the remaining FY 2015-16 funds will be allocated through the upcoming budget process.

Resource Recovery and Waste Management

CEAC will continue to advocate for additional infrastructure for the management of organic waste, including incentives and opportunities for alternatives to landfills either through the use of conversion technologies and the implementation of Extended Producers Responsibility Programs. In addition, staff will continue to work with the Administration on developing a sound and reasonable tip fee proposal to address structural budget issues as well as the need for solid waste infrastructure investment.

New Revenue for Transportation Infrastructure

The Special Session on Transportation and Infrastructure Development is still open and can remain so until the end of the 2016 regular session in late August. As previously

mentioned, 2016 brings additional challenges to passing new or increased taxes for transportation, primarily bring state Assembly and Senate elections. CSAC continues to work with a coalition of committed transportation, local government, labor and business partners to strategize on ways to bring both parties together. Regardless of the outcome of these efforts CSAC will work closely with CEAC to ensure we are maximizing our opportunities to educate the public and elected officials about the crumbling infrastructure problem and the need for a timely solution. We must remain diligent in this effort even if we have to wait until after the 2016 elections for another window of opportunity.

Federal Transportation Implementation

Now that Congress has acted and the President has signed a replacement bill for MAP-21, implementation work will shift to the state level. Counties and other stakeholders negotiated a state implementation plan for the last federal transportation bill that essentially kept most programs whole. In California's efforts to implement the FAST Act, CSAC will rely on CEAC's expertise as we attempt to secure funding for on-system/non-NHS local bridges from the California's share of the National Highway Performance Program. CEAC's input will also be integral as CSAC works with Caltrans to participate in the environmental reciprocity program.

Land Use

While land use policy played a more subdued role in policy discussions in the capitol in 2015 compared to previous years, there are several significant policy efforts underway in the Governor's Administration. Looking forward, 2016 should be a busy year, as the Office of Planning and Research (OPR) continues their work to review and update the General Plan Guidelines and the CEQA Guidelines, as well as taking action to implement SB 743 (Chapter 386, Statutes of 2013). Recall that SB 743 required OPR to propose revisions to the CEQA guidelines to establish new, non-Level of Service criteria for determining the significance of projects with transit priority areas. CSAC will continue to advocate for a measure implementation effort that considers the broad array of affected communities. ▲

PAGE 17
• WATT AVE. / HWY 50 INTERCHANGE, SACRAMENTO COUNTY

PAGE 18
• CLOUDS CIRCLE OF SERVICE AWARD MEHDI SADJADI (TOP)
• NOBLE GULCH, SANTA CRUZ COUNTY (LEFT MIDDLE)
• SOLAR PROJECT, IMPERIAL COUNTY (RIGHT MIDDLE)
• KINGS BEACH TURNAROUND, PLACER COUNTY (LEFT BOTTOM)
• FULL DEPTH RECYCLING, YOLO COUNTY (MIDDLE BOTTOM)
• NOBLE GULCH, SANTA CRUZ COUNTY (RIGHT BOTTOM)



Desire is the key to motivation, but it's determination and commitment to an unrelenting pursuit of your goal – a commitment to excellence – that will enable you to attain the success you seek. — Mario Andretti





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WING AVE. WATER MAIN RECONSTRUCTION, SAN DIEGO COUNTY (TOP); YAROSLAVSLEY FAMILY SUPPORT CENTER, LOS ANGELES COUNTY (LEFT BOTTOM);
YAROSLAVSLEY FAMILY SUPPORT CENTER RIBBON CUTTING, LOS ANGELES COUNTY (MIDDLE BOTTOM); MUDSLIDE EXCAVATION, LOS ANGELES COUNTY (RIGHT BOTTOM)