



**FRESNO CHAMBER OF COMMERCE  
GOVERNMENT AFFAIRS COUNCIL**

**MEETING AGENDA  
Wednesday, August 13, 2014  
12:00 p.m.**

**PRESIDING  
Ruth Evans, Chair  
Brian Domingos, Vice Chair**

**Call to Order and Roll Call**

**Approval Minutes - July 23 and July 30 Special Meetings**

**New Business**

1. **Fresno's 2035 General Plan – Jennifer Clark, City of Fresno** **INFORMATION**
2. **Legislative Items** **ACTION**
  - A. AB 503 (Wieckowski and Bonta) Health Facilities: community benefits - Amy Thoma, Kaiser Permanente
  - B. SB 1139 (Hueso) California Renewables Portfolio Standard Program
3. **Consent Calendar** **ACTION**
  - A. SB 812 (De Leon) Hazardous waste
  - B. SB 850 (Block) Public postsecondary education: community college districts

**Old Business**

4. **AB 2235 (Buchanan and Hagman) Public Education Facilities Bond Act of 2014** **ACTION**
5. **AB 2372 (Ammiano) Change in Ownership** **ACTION**
6. **California Water Bond Update** **ACTION**

**Chair's Report – Ruth Evans**

*Eggs & Issues with Congressman David Valadao on Friday, Sept. 5, Piccadilly W. Shaw Ave.*



**FRESNO CHAMBER OF COMMERCE  
GOVERNMENT AFFAIRS COUNCIL  
SPECIAL MEETING  
MEETING MINUTES**

**Presiding:  
Ruth Evans, Chair  
Brian Domingos, Vice Chair**

Committee: Government Affairs Council  
Chairperson: Ruth Evans  
Vice-Chair: Brian Domingos  
Meeting Date/Time: July 23, 2014  
Meeting Place: Fresno Chamber of Commerce  
Committee attendees: Bill Avakian, Brian Domingos, Ruth Evans, Cam Maloy, Victoria Salisch, Al Smith, Larry Fortune, Debbie Hunsaker, Austin Ewell, Nick Amendola, and Lydia Zabrycki  
Committee absences: Jack Hall, Walt Plachta, Scott Miller, Lorraine Salazar, Ryan Jacobsen, and John Taylor  
Staff: Rachel Eslick

**CALL TO ORDER**

- **Ms. Evans called the meeting to order at 12:36pm**
- **Approval of Minutes**  
Brian Domingos moved to approve the July 9th meeting minutes. The motion was seconded by Lydia Zabrycki. The motion passed unanimously.

**NEW BUSINESS**

**1. Measure W**

Former County Supervisor Doug Vagim presented to oppose the hike of City of Fresno water rates and support of Measure W, a repeal of the rate structure adopted in August of 2013. Vagim said he agrees that improvements to infrastructure are necessary, but he believes City of Fresno purposely deceived residents by using a “protest only” method (Prop 218) to pass the higher rate structure and bond for the improvement project. Vagim believes other methods like a “pay as you go” system or developing improvement districts would be better options. Vagim would like more studies to be done infrastructure improvement because he doesn’t believe the current plan is necessarily the best plan. He says if the city starts all over and eventually puts a bond on a ballot in the future, he would advocate for it.

City Councilman Lee Brand presented support for the water rate hike and opposition to Measure W. He said notices of water rate hikes were sent out to 135,000 property owners. People were given an opportunity to send back a note of protest, but only 400-500 protests were received by the city. Brand laid out the need for the infrastructure improvements: aging wells and pipes, changing standards for acceptable drinking water, and drought concerns. He said the need has been around for years, but administrations have kicked the can down the road because it's unpopular to raise rates. Brand said the improvements and surface water treatment plant would service existing customers, not new development. He cited studies that showed not only are ground water levels dropping, the actual ground is dropping. The surface water treatment plant would help recharge ground water to levels last seen in the 1990's. Brand said that Fresno's water rates are currently some of the lowest in the state and even as rates increase through 2016, they'll still be lower than Stockton, Bakersfield, San Jose, Oakland, San Diego, Los Angeles and San Francisco.

## **ADJOURNED**

- **Ms. Evans adjourned the meeting to closed session at 1:40pm**

The council felt it needed clarification on several issues before making a decision.

1. If you live in the county, can you vote on Measure W?
2. What would happen if rates are rescinded?
3. If rates are rescinded, what would the impact be on future bonds?

- **Meeting adjourned at 1:59pm**



**FRESNO CHAMBER OF COMMERCE  
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SPECIAL MEETING  
MEETING MINUTES**

**Presiding:  
Ruth Evans, Chair  
Brian Domingos, Vice Chair**

Committee: Government Affairs Council  
Chairperson: Ruth Evans  
Vice-Chair: Brian Domingos  
Meeting Date/Time: July 30, 2014  
Meeting Place: Fresno Chamber of Commerce  
Committee attendees: Bill Avakian, Brian Domingos, Ruth Evans, Al Smith, Debbie Hunsaker, Austin Ewell, Nick Amendola, Lorraine Salazar, Ryan Jacobsen  
Committee absences: Jack Hall, Scott Miller, John Taylor, Cam Maloy, Victoria Salisch, Larry Fortune, Lydia Zabrycki  
Staff: Rachel Eslick

**CALL TO ORDER**

- **Ms. Evans called the meeting to order at 12:13pm**

**OLD BUSINESS**

**2. Measure W**

Closed session discussion continued on Measure W with additional information provided by both sides at the request of the GAC. One main question was in regards to how a new bonding process would begin again if the rates were rescinded. GAC members expressed desire to raise rates and improve infrastructure, to include a water treatment facility, but want to make sure it's done properly. Knowing a couple options are on the table for City Council, the GAC prioritized the options it supports and verbally communicated how it would like to word the language. Staff was instructed to draft a position which Al Smith would present to the City Council during the July 31<sup>st</sup> meeting.

*Ruth Evans made a motion to support rescinding the rates and start the bond process over if the process is agreeable to the other side, otherwise support putting Measure W on the November ballot and urge No on W. Brian Domingos seconded the motion and it passed unanimously.*

**ADJOURNED**

- **Ms. Evans adjourned the meeting at 1:03pm**

<b>AB 503 (Wieckowski and Bonta) Health facilities: community benefits</b>
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**Source** – Leg info, Kaiser Permanente

**Summary** – This bill would repeal existing hospital community benefit law and establish new law, which would require private, non-profit hospitals to complete a community benefit plan and allocate 90% of community benefit money to go towards charity care and projects that improve community health for underserved and vulnerable populations. It would restrict hospitals from using Medicare and Medi-Cal shortfalls to be calculated as charity care.

**Background** – In exchange for tax benefits, non-profit hospitals are required by law to provide community benefits. They must complete a community needs assessment and adopt a plan, which is submitted each year to the Office of Statewide Health Planning and Development (OSHPD). This bill would add requirements for reporting and narrow what qualifies as a community benefit, including prohibiting shortfalls from public programs Medicare and Medi-Cal from being calculated as a community benefit.

**Fiscal Impact** – OSHPD would need to add about eight fulltime positions to comply with the provisions of this bill, which would cost about \$1.7 million in 2015-16, \$1.8 million in 2016-17 and \$975,000 thereafter. The positions would be paid for by adjusting fee levels to licensed health facilities.

**Support** – This bill is co-sponsored by the California Nurses Association and the Greenling Institute. Supporters believe non-profit hospitals need to be held accountable for the tax benefits they receive. According to CNA, in 2010, California non-profit hospitals provided a mere 2.46% or less of their operating expenses on community benefit, well below the one time federal standard of 5% needed to maintain tax exempt status. CNA also claims non-profit hospitals accumulated \$4.5 billion in profits in 2010, half of it by large chains Sutter Health and Kaiser Permanente.

**Opposition** – California Hospital Association is among the groups opposing this bill. It argues the laws in place since 1994 are working and with ACA being implemented, now is not the time to change the law and put more of a burden on non-profit hospitals. Opposing groups worry that adherence to the new mandates would eliminate certain charity care programs like cancer and other research, neonatal intensive care, mobile medical and dental clinics, senior support services, diabetes screening and more. Kaiser Permanente states the bill does nothing to increase transparency. It also disagrees with the restriction of Medicare and Medi-Cal shortfalls from being calculated as charity care.

**Location** – Senate Appropriations Suspense File

**Staff Recommendation** - Oppose

<b>SB 1139 (Hueso) California Renewables Portfolio Standard Program</b>
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**Source** - Cal Chamber, Leg Info

**Summary** – Would require investor-owner utilities, community choice aggregators, energy service providers and local publicly owned electric utilities (collectively defined as retailer sellers) to buy a statewide total of 500 megawatts of geothermal power by December 31, 2024.

**Background** – Under the Renewables Portfolio Standard, existing law requires retailer sellers increase purchases of renewable energy to 33% of total retail sales by December 31, 2020. The percentage has been increasing in stages: 20% beginning in 2011 and 25% by 2016. Renewables Portfolio Standard includes biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 MW's or less, digester gas, landfill gas, ocean wave, ocean thermal, tidal current, and municipal solid waste conversion that uses a non-combustion thermal process to convert solid waste to a clean-burning fuel.

Geothermal energy is defined as heat from the Earth. One example is hot springs, but that isn't the only source of geothermal energy. Electricity is developed when wells are drilled into geothermal reservoirs, bringing water to the surface, where heat is converted into electricity via a geothermal plant.

Construction of baseload geothermal plants will be built after January 2015. By June 30<sup>th</sup>, 2015, the Energy Commission must determine the proportionate share of 500 MW of electricity each retail seller would have to buy. The geothermal energy bought to comply with SB 1139 would not count towards meeting the requirements of existing California Renewables Portfolio Standard Program.

**Support** – The author believes California's geothermal potential remains untapped and should be better utilized in order to move toward a carbon-free energy supply. Some of the organizations that support the bill include: Blue Green Alliance, Cal Energy, Latino Water Coalition, Geothermal Energy Association and Sierra Club California.

**Opposition** – Cal Chamber is one of the organizations opposed to this bill. It states, "Creating an additional mandate of 500 MW of geothermal resources, in addition to RPS is not a sound method for creating an affordable and reliable energy supply. When a generation from an individual resource does not have to compete against other resources, the result will likely be a higher cost, which will increase rates throughout the state."

**Local Impact** – Rio Bravo, a 25 MW biomass company in Malaga converts urban-derived sources (bark and wood) and agricultural waste (dead tree limbs and trees) into energy. It's concerned that companies like PG&E and Edison won't buy its energy if they're required to buy geothermal energy. Rio Bravo's 30-year contract with PG&E expires in 2019, and SB 1139 threatens to shut down the plant if Rio Bravo can't get a contract extension. Rio Bravo has 27 direct employees and around 100 indirect employees.

Covanta, a waste-to-energy company with locations in Mendota and Delano, also expressed opposition to Assemblymember Henry T. Perea's office because of the have direct, unfair competition.

**Location** – Assembly Appropriations

**Staff Recommendation** – Oppose

**CONSENT CALENDAR**

**ITEM A**

Government Affairs Council

August 13, 2014

**SB 812 (De Leon) Hazardous Waste**

**Sources** - Cal Chamber, Leg Info

**Summary** – This bill would establish tighter deadlines for hazardous waste facilities to submit permit renewals and for the Department of Toxic Substances Control (DTSC) to process the applications. Instead of submitting paperwork 18 months prior to the expiration of a permit, the company would need to submit it at least two years before the expiration. DTSC would be required to respond within 36 months of the permit is deemed denied.

**Background** – There are 118 hazardous waste facilities in California, and about 24 are operating under “continued permits” because DTSC has not responded to the applications. Costs associated with this bill include about \$1 million to add staff to DTSC.

**Support** – The author believes some facilities are emitting toxic hazardous waste, including lead, mercury and arsenic, and have been operating under expired permits for years. The author says this bill would lead to the closure of unsafe, noncompliant facilities. Organizations that support this bill include City of Los Angeles, Coalition for Clean Air and Natural Resources Defense Council.

**Opposition** – Cal Chamber is opposed to this bill because it “fundamentally undermines the Department of Toxic Substances Control’s recently proposed plan to issue protective and timely hazardous waste permits by creating extraordinarily aggressive and arbitrary permit processing timelines.”

**Local Impact** – According to the State of California, there are three toxic waste facilities in Fresno County, Big Blue Hills Pesticide Control Disposal located near Coalinga, Safety Kleen on S. Maple and Evergreen Environmental Services on N. Valentine. Evergreen’s permit expired on December 30, 2007. The facility submitted a renewal application the day before the deadline and has been operating an expired permit ever since, nearly seven years, because a permit renewal decision has not been made.

**Location** – Assembly Appropriations

**Staff Recommendation** - Oppose

## CONSENT CALENDAR

### ITEM B

Government Affairs Council

August 13, 2014

<b>SB 850 (Block) Public postsecondary education: community college districts: baccalaureate degree pilot program</b>
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**Sources** - Cal Chamber, Leg Info

**Summary** – Would allow pilot programs to be established at up to 15 community college districts for baccalaureate degree programs. The programs must enroll students by 2017-18 and students must complete their degrees by 2022-23.

**Background** – The bill is patterned after applied baccalaureate degree programs offered in 20 other states. The California Community College Board of Governors would work with CSU and UC to approve the programs. Only one program could be offered at each community college district. No degree program could be already offered at a nearby CSU or UC. Some of the community colleges interested in pilot programs are in rural areas where four-year universities don’t exist. Some of the types of degrees that could be offered include dental hygiene, industrial technology, allied health technology, emergency medical technician, and data management for health care.

**Support** – According to the author, the state needs to increase the number of California’s with four-year degrees by 60,000 each year to meet the projected demands of 2025. Organizations supporting this bill include Cal Chamber, Bakersfield College and West Kern Community College District.

**Opposition** – The California Teachers Association and Faculty Association of the California Community Colleges says this bill alters the master plan for community college districts, which has traditionally been to serve students who would move on to CSU’s. CTA believes a study on the role of the CCC and CSU system should be done to assess the appropriateness of the proposed bill.

**Location** – Assembly Appropriations

**Staff Recommendation** - Support

**OLD BUSINESS**

**ITEM 4**

Government Affairs Council

August 13, 2014

<b>AB 2235 (Buchanan and Hagman) Public education facilities bond</b>
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**Source** - Cal Chamber, Leg Info

**Summary** – Would place a \$9 billion Kindergarten-University Public Education Facilities Bond Act of 2014 on the November ballot to help upgrade, modernize and construct school facilities. \$6 billion would go to K-12 education for new construction (\$2.25 billion), modernization (\$3.25 billion) and charter schools (\$500 million). \$3 billion would go to high education facilities including California community colleges (\$2 billion), UC campuses (\$500 million) and CSU campuses (\$500 million). All state funding would need to be matched by local school bonds and developer fees.

**Background** – Since 1998, California voters have approved \$35.4 billion dollars in state General Obligation bonds for K-12 and higher education. Funding has been distributed to schools across the state for over 11,000 projects since 1998. The bonds have been on ballots in 1998, 2002, 2004 and 2006. This bill passed through the Assembly with unanimous support with the exception of for four legislators who failed to record a vote.

**Update** – After the July GAC meeting, Lacey Kiriakou of UC Merced reported that this bond would not affect the Phase 2 growth on UC Merced’s campus. The bond money for UC campuses is for facilities improvements. She also reports the likelihood of this bond progressing or making the ballot is slim with attention on the water bond.

**Support** – Cal Chamber, California Teacher’s Association and State Center Community College District are among the many supporters.

**Opposition** – None recorded

**Location** – Senate Appropriations

**Staff Recommendation** – No position

**OLD BUSINESS**

**ITEM 5**

Government Affairs Council

August 13, 2014

<b>AB 2372 (Ammiano and Bocanegra)</b>
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**Source** – Cal Chamber, Leg Info, Family Business Association

**Summary** – Would modify current standards for reassessing property resulting from changes in ownership. Reassessment would occur if 90% or more of the ownership interests in a legal entity, as specified, are sold or cumulatively transferred in one or more transactions, the transfer of ownership interest is a change in ownership of the real property owned by the legal entity. The bill specifically excludes from its changes to reassessment requirements publicly traded entity stock sales. The law would apply to ownership interest sales made on or after January 1, 2015. It requires notification of BOE within 90 days and would penalize companies for failure of notification from 10% of tax to 15%.

**Background** – Proposition 13 changed the California Constitution to preclude a county assessor from revaluing property for tax purposes unless a change in ownership has occurred. However, the initiative didn't define the term, leaving it to the Legislature to determine the meaning of "change in ownership" for legal entities, such as corporations. As implemented, assessors reassess property when one person or legal entity purchases or otherwise acquires more than 50% ownership of a corporation or other legal entity in a single transaction. However, if multiple individuals or entities acquire another entity in a single transaction, but none of the purchasers acquire more than 50% interest in the acquired entity, no reassessment occurs even if it occurs in a single transaction.

Cal Chamber originally had this bill listed as a Job Killer, but after an amendment was made to take publicly traded entity stock sales out of the bill, Cal Chamber switched its position to that of support.

The Family Business Association believes AB 2372 will still have a negative impact on family businesses and is trying to get language added to protect family businesses. FBA is opposing unless amended.

FBA Executive Director, Bob Rivinius, has reportedly heard this bill isn't likely to make it to the Governor's desk because, ironically, labor is trying to defeat it in order to attempt a split roll initiative in 2016.

**Location** – Senate Appropriations

**Staff Recommendation** – Discussion

**OLD BUSINESS**

**ITEM 6**

Government Affairs Council

August 13, 2014

<b>California Water Bond</b>
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**Summary** – Staff will report any updates to the Water Bond and recommend a position.