

ENVIRONMENTAL QUALITY POLICY COMMITTEE

Wednesday, April 2, 2008

10:00 a.m. – 3:00 p.m.

Ontario Convention Center

A G E N D A

Individuals who wish to review the full text of bills included in this packet are encouraged to do so by visiting the League's website at www.cacities.org and clicking on "Bill Search" found at the left column. Be sure to review the most recent version of the bill.

- I. Welcome and Introductions
- II. Public Comment
- III. Federal Legislative Update (*Attachment A*)
- IV. State Budget Update
- V. Legislative Update (*Attachment B*)
- VI. Update on Solid Waste Issues (*Attachment C*)
- VII. Suggested League Policy on Extended Producer Responsibility (*Attachment D*)
- VIII. Eminent Domain Reform Campaigns: Update on Proposition 98 and Proposition 99 (*Attachment E*)
- *Speaker: Chris McKenzie, Executive Director, League of California Cities*
- IX. Coastal Cities Issues Group Update (*Attachment F*)
- X. Solar and Clean Energy Act of 2008 (*Attachments G and H*)
- XI. Update on AB 32 Implementation
- XII. Next Meeting: **Thursday, June 26, 2008 – Sacramento Convention Center**

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

- 1) *Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or*
- 2) *A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.*

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

NOTE: Policy committee members should be aware that lunch is usually served at these meetings. The state's Fair Political Practices Commission takes the position that the value of the lunch should be reported on city officials' statement of economic interests form. Because of the service you provide at these meetings, the League takes the position that the value of the lunch should be reported as income (in return for your service to the committee) as opposed to a gift (note that this is not income for state or federal income tax purposes—just Political Reform Act reporting purposes). The League has been persistent, but unsuccessful, in attempting to change the FPPC's mind about this interpretation. As such, we feel we need to let you know about the issue so you can determine your course of action.

If you would prefer not to have to report the value of the lunches as income, we will let you know the amount so you can reimburse the League. The lunches tend to run in the \$25 to \$35 range. To review a copy of the FPPC's most recent letter on this issue, please go to www.cacities.org/FPPCletter on the League's website.




FEDERAL RELATIONS UPDATE
For period ending March 14, 2008

- **NLC Leaders Urge Congress to Fund Energy Block Grant Program**
- **House and Senate Adopt Budget Resolutions**
- **Frank Holds Hearing on Municipal Bond Market Turmoil**
- **Frank and Dodd Announce Proposals to Stem the Rise in Foreclosures**
- **National Infrastructure Bank Proposals Gain Momentum**
- **NAPA Releases Transportation Finance Report**
- **FAA Reauthorization Stalled**
- **Immigration Proposals Being Discussed**

NLC Leaders Urge Congress to Fund Energy Block Grant Program

More than 400 NLC leaders signed onto a letter urging Congress to fund the Energy Efficiency and Conservation Block Grant program that was enacted as part of the Energy Independence and Security Act of 2007. [To view the letter, click here.](#)

According to the letter, "The nation's energy crisis continues to challenge our country with the threat of climate change, rising energy prices, and the depletion of natural resources. The Block Grant program provides an important element in a new partnership among cities, states, and the federal government to respond to these challenges making our country more energy efficient and energy independent, and strengthening our economy."

Next week, the letter will be delivered to House and Senate Appropriations Committee members, House Speaker Nancy Pelosi (D-CA), and Senate Majority Leader Harry Reid (D-NV). (Carolyn Berndt, berndt@nlc.org, 202.626.3101)

House and Senate Adopt Budget Resolutions

The House and Senate each adopted their respective budget resolutions this week, non-binding blueprints for the FY'09 federal budget. The House would provide \$22 billion more in domestic discretionary spending than the President, rejecting most of the President's proposed cuts—especially for public safety, while the Senate proposes restoration of \$18 billion. The passage of the budget resolutions clears the way for the annual appropriations process to move forward. (Carolyn Coleman, coleman@nlc.org, 202.626.3023)

Frank Holds Hearing on Municipal Bond Market Turmoil

On March 12, at a House Committee on Financial Services meeting, attended by NLC President Cynthia McCollum, Council member, Madison, Alabama, and Second Vice President Ron Loveridge, Mayor, Riverside, California, federal lawmakers and market participants debated options for resolving the current turmoil in the municipal securities market. During the hearing, Committee Chairman Barney Frank (D-MA), blasted the municipal bond insurers for acting on "grievous misjudgments" by exposing themselves to subprime mortgage risk that has led to "unfair excessive costs" for issuers, including local governments. Testifying at the hearing were state treasurers, municipal bond insurers, the Connecticut Attorney General, and ratings agency representatives.

Although the Committee did not reach consensus on any of the options debated, there was agreement that something must be done quickly. "This has got to be fixed," Frank said. "We cannot tolerate a situation where elected officials trying to build schools and comply with federal mandates from the federal government to improve the treatment of sewage and build highways...are charged much more than they should be charged." NLC, along with five other issuer groups, sent the Committee an eight page letter, which Rep. Paul Kanjorski (R-PA), Chairman, Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, House Committee on Financial Services, submitted into the record. The letter outlined the groups' concerns with the market and solutions to be explored. To view the letter, [click here](#). (Carolyn Coleman, coleman@nlc.org, 202.626.3023)

Frank and Dodd Announce Proposals to Stem the Rise in Foreclosures

On March 13, Rep. Barney Frank (D-MA) and Sen. Christopher Dodd (D-CT) unveiled proposals to stem the significant rise in mortgage foreclosures by allowing the Federal Housing Administration to insure and guarantee refinanced mortgages that have been significantly written down by mortgage holders and lenders. According to a summary, Frank's proposal would provide up to \$300 billion in new loan guarantees for "at risk" borrowers to refinance. Lenders would be required to write down a loan's principal amount – to no more than a home's current market price – before the FHA would back the revised loan; additionally, the new loan would have to be made on terms that a borrower could repay. Frank estimates that his proposal could potentially refinance between one to two million loans, protect neighborhoods, and help stabilize the housing market, all of which are legislative priorities for NLC. (Michael Wallace, wallace@nlc.org, 202.626.3025)

National Infrastructure Bank Proposals Gain Momentum

After years of discussion about a national infrastructure bank that could issue taxable tax-credit bonds to fund infrastructure projects, House and Senate leaders are vowing to move quickly on legislation that would create a national infrastructure bank to develop public-private investments for large transportation and water projects.

Senators Christopher Dodd (D-CT) and Chuck Hagel (R-NE) introduced S.1926, the National Infrastructure Bank Act of 2007, last summer and on March 11 held a hearing on the bill before the Senate Banking, Housing, and Urban Affairs Committee, which

Dodd chairs. According to Sen. Dodd, the bill would use "limited Federal resources, it would leverage the significant resources and innovation of the private sector. It would tap the private sector's financial and intellectual power to meet our nation's largest and most critical structural needs." On March 12, House Speaker Nancy Pelosi (D-CA) announced she also wants the House to take up infrastructure development legislation quickly. (Leslie Wollack, wollack@nlc.org, 202.626.3029)

NAPA Releases Transportation Finance Report

Earlier this week, the Intergovernmental Forum on Transportation Finance, a body convened by the National Academy of Public Administration on behalf of six national associations: National League of Cities, National Governors Association, National Association of Counties, National Conference of State Legislatures, The Council of State Governments, and International City/County Managers Association, released a report, "Financing Transportation in the 21st Century – An Intergovernmental Perspective."

The report highlights the integrated role of all levels of government and the private sector in developing and maintaining our national transportation network, a top legislative priority for NLC. According to the report, "All levels of government must work together to set system-performance goals and provide the financial means to meet those goals." (Leslie Wollack, wollack@nlc.org, 202.626.3029)

FAA Reauthorization Stalled

Senate leaders remain skeptical that the Senate will be able to reconcile internal differences and pass an airport reauthorization bill before the end of this year, despite the fact that the federal airport programs expired in September 2007 and are running on short term extensions. The House passed a reauthorization bill last year, but the Senate remains mired in the controversy between industries over who should bear the greater cost for modernizing the air traffic control system.

NLC joined 30 organizations in urging Congressional action on a reauthorization bill that funds programs providing grants to municipal airports, such as the airport improvement grants program. NLC also has supported an increase in the ceiling on the airport Passenger Facility Charges to \$7.00 from the current \$4.50, which is contained in the House passed reauthorization bill. (Leslie Wollack, wollack@nlc.org, 202.626.3029)

Immigration Proposals Being Discussed

House Members are threatening to use a procedural motion to bring an immigration enforcement-oriented bill to the House floor. The bill, the Secure America with Verification and Enforcement (SAVE) Act, HR 4088, sponsored by Rep. Heath Shuler (D-NC), has gained the support of 93 Republicans and 48 Democrats. The legislation would authorize more technology at the border, the hiring of 8,000 additional border agents over five years, and a mandatory verification system for employers.

In addition, House leaders are considering legislation to issue more visas for summer workers, an issue that cuts across ideological lines. The H2B visas give foreign workers

non-immigrant status to work seasonable jobs that can't be filled by Americans. In 1990, Congress capped the visas at 66,000 annually, but the demand routinely exceeds that number. In fiscal year 2006, Congress allowed an additional 50,000 workers to be admitted.

These proposals put Congress back into the middle of the immigration debate in an election year, and the outcome is unclear. (Leslie Wollack, wollack@nlc.org, 202.626.3029)

*Congress will be in recess for the remainder of the month of March.
The next edition of the Federal Relations Update will be published on
April 11, 2008.*

COMMITTEE ON ENVIRONMENTAL QUALITY
Legislative Update
April 2008

Legislative Update

The bills listed below fall within the jurisdiction of the League's Environmental Quality Policy Committee. They are provided as an informational update to committee members and represent the "hot bills" that the League is watching and actively working on, and not up for discussion / action during the policy committee meeting.

The bills are broken down by category. For more information on a specific bill (text of bill, status, etc), you can visit the League website at www.cacities.org and click on "Bill Search" and enter the bill number.

ENERGY BILLS

1. AB 2176 (Caballero). Energy. Federal Block Grants.

Status: 03/05/2008-Referred to Coms. on U. & C. and NAT. RES.

Location: 03/06/2008-A NAT. RES.

League Position: Sponsor/Support

Summary: Would require the California Energy Commission to administer funds received by the state pursuant to the federal Energy Independence and Security Act (H.R. 6), which President Bush signed into law in December 2007, and would require not less than 60% of the funds received to be used to provide subgrants to cities under 35,000 in population and counties under 200,000 in population.

2. AB 2180 (Lieu). Solar Energy.

Status: 03/05/2008-Referred to Com. on L. GOV.

Location: 03/05/2008-A L. GOV.

League Position: Watch

Summary: Makes changes to laws regarding solar energy systems permitting and installation. Would require that the local agency in charge of approval and denial of solar installations submit, in writing, a denial within 45 days of receiving an application. If the application is not denied within 45 days, it will be deemed approved.

3. AB 811 (Levine). Contractual Assessments. Energy Efficiency Improvements.

Status: 03/11/2008-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.,U. & C.

Location: 03/11/2008-S E. U., & C.

League Position: Pending

Summary: Provides cities and counties with the legislative authority to help finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

4. **AB 1909 (Hayashi). Energy. Powerplant Certification.**

Status: 02/21/2008-Referred to Coms. on U. & C. and NAT. RES.

Location: 02/21/2008-A U. & C.

League Position: Watch

Summary: Would require the California Energy Commission, for a proposed construction of a thermal powerplant and related facilities in a jurisdiction with a preexisting thermal powerplant, to obtain the approval of the local governing body.

5. **AB 2820 (Huffman). Renewable Energy Resources.**

Status: 02/25/2008-Read first time.

Location: 02/22/2008-A PRINT

League Position: Watch

Summary: Would require an electrical corporation that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to a local public agency, as defined, upon the request of the local public agency, to use those facilities to deliver renewable electricity generated by the local public agency. The bill would authorize a local public agency to designate specific renewable electric generation facilities owned by the local public agency for the generation of renewable electricity to be delivered to any local public agency, if the amount of all renewable electricity delivered to the electric grid by the designated renewable electric generation facility is the property of the generating local public agency.

6. **AB 2030 (Lieu). Energy. Building Standards.**

Status: 02/28/2008-Referred to Com. on NAT. RES.

Location: 02/28/2008-A NAT. RES.

League Position: Watch

Summary: Would require the Energy Commission to adopt new building design and construction standards, and energy and water conservation standards. Would require cities and counties to deny building permits unless the standards are met.

7. **AB 2466 (Laird). Government Energy Producers.**

Status: 03/10/2008-Referred to Com. on U. & C.

Location: 03/10/2008-A U. & C.

League Position: Watch

Summary: Would authorize a local government (city, county or JPA) to receive a bill credit for electricity supplied to the electric grid by an eligible renewable generating facility.

8. **AB 2789 (Blakeslee). Small Wind Energy Systems.**

Status: 03/13/2008-Referred to Com. on L. GOV.

Location: 03/13/2008-A L. GOV.

League Position: Watch

Summary: Would authorize a local agency to provide by ordinance, until July 1, 2009, for the installation

of small wind energy systems and to issue a conditional use permit for this purpose, except where otherwise prohibited by law. A local agency would be authorized to impose conditions on the installation of these systems, and would be required to approve an application for a small wind energy system by right if specified conditions are met.

RECYCLING

9. AB 1719 (Hancock). Recycling. Beverage Containers. Plastic Bags.

Status: 09/12/2007-In Assembly. Concurrence in Senate amendments pending. Re-referred to Com. on RLS. pursuant to Assembly Rule 97. (Page 3415.)

Location: 09/12/2007-A RLS.

League Position: Watch

Summary: Would revise the Beverage Container Recycling and Litter Reduction Act, and Plastic Trash Bags Law. This bill suspends, for two years, enforcement of the recycled content requirements for plastic trash bags, as well as various other changes dealing with recycling programs.

WATER BILLS

10. AB 2175 (Laird). Water Conservation.

Status: 03/05/2008-Referred to Com. on W.,P. & W.

Location: 03/05/2008-A W.,P. & W.

League Position: Watch

Summary: Would require the Department of Water Resources to establish a numeric water conservation target for the state, initially for 2030, that provides for the maximum feasible and cost-effective increase in water conservation. The department would be required, on or before December 31, 2012, and not less than every 5 years thereafter, to review and increase that water conservation target based on specified information. The department would be required to establish interim urban and agricultural water conservation targets for each hydrologic region of the state.

11. AB 2270 (Laird). Recycled Water.

Status: 03/05/2008-Referred to Com. on W.,P. & W.

Location: 03/05/2008-A W.,P. & W.

League Position: Watch

Summary: Would refer to the statewide water recycling goals as targets, and would require the Department of Water Resources to update these targets every 5 years, based on information provided in the urban water management plans. The department would be required to include the revised targets in the California Water Plan beginning in 2013. The bill would require an urban water supplier to include more information in its urban water management plan information about recycled water.

12. SB 1360 (Machado). Flood Protection.

Status: 03/13/2008-Set for hearing March 25.

Location: 02/28/2008-S N.R. & W.

League Position: Support if Amend

Summary: Would require the department to prepare and the board to adopt a map that clearly delineates the boundaries of the Sacramento and San Joaquin Drainage District. Would revise the definition of the State Plan of Flood Control.

GREEN / SUSTAINABILITY BILLS

13. AB 1602 (Nunez). Environment. Sustainable Communities and Urban Greening Program.

Status: 06/14/2007-Referred to Com. on E.Q.

Location: 06/14/2007-S E.Q.

League Position: Watch

Summary: Would establish in the Resources Agency, the Sustainable Communities and Urban Greening Grant Program and would provide that moneys made available by those bond funds may be expended for this program. The bill would require the Resources Agency, in consultation with the California Environmental Protection Agency and the Business, Transportation and Housing Agency, to develop and administer a program of grants to local public agencies and nonprofit organizations for the purpose of improving the sustainability and livability of communities through the development of green infrastructure that provides multiple benefits, including improved air and water quality, energy and water conservation, climate change mitigation, and recreational and other community benefits. The bill would specify eligible projects.

14. SB 375 (Steinberg). Transportation Planning. Travel Demand Models. Sustainable Communities Strategy. Environmental Review.

Status: 01/28/2008-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.

Location: 01/28/2008-A APPR.

League Position: Oppose Unless Amend

Summary: Would require the commission, by July 1, 2009, to adopt guidelines for travel demand models used in the development of regional transportation plans by certain transportation planning entities. The bill would require the Department of Transportation to assist the commission, on request, in this regard, and would impose other related requirements.

COASTAL ISSUES

15. SB 1295 (Ducheny). California Coastal Act of 1976. Coastal Development Permit. Appeal.

Status: 2/28/2008 – Referred to Com. on NAT. RES.

Location: 04/08/2008 – S. NAT. RES.

League Position: Watch

Summary: This bill would take away the ability of the Coastal Commission staff to do staff appeals on LCP amendments. Specifically, existing law states that "any appealable action on a coastal development permit or claim of exemption for any development by a local government or port governing body may be appealed to the California Coastal Commission by an applicant for a permit, any aggrieved person, or any 2 members of the commission". This bill would revise that provision to eliminate an appeal by 2 members of the California Coastal Commission.

OIL SPILL BILLS

16. AB 2935 (Huffman). Oil Spill Prevention and Response.

Status: 03/13/2008-Referred to Coms. on NAT. RES. and G.O.

Location: 03/13/2008-A NAT. RES.

League Position: Watch

Summary: Mandates new hazardous materials training requirements.

17. AB 2031 (Hancock). Oil Spill Prevention and Response.

Status: 02/28/2008-Referred to Coms. on NAT. RES. and G.O.

Location: 02/28/2008-A NAT. RES.

League Position: Watch

Summary: Empowers local response to oil spills in shoreline communities.

18. AB 2032 (Hancock). Oil Spill Prevention and Response.

Status: 02/28/2008-Referred to Com. on NAT. RES.

Location: 02/28/2008-A NAT. RES.

League Position: Watch

Summary: Strengthens Lempert-Keene-Seastrand Oil Spill Prevention and Response Act of 1990.

19. AB 2144 (Smyth). Oil Spill Prevention and Response.

Status: 02/21/2008-From printer. May be heard in committee March 22.

Location: 02/20/2008-A PRINT

League Position: Watch

Summary: Current spot bill.

20. AB 2441 (Lieber). Oil Spill Prevention and Response. Regulations. Tugboat Escorts. Hazardous Materials.

Status: 03/13/2008-Referred to Coms. on NAT. RES. and W.,P. & W.

Location: 03/13/2008-A NAT. RES.

League Position: Watch

Summary: Would require tug escorts for vessels carrying hazardous substances within California's harbors.

21. AB 2547(Leno). Oil Spill Prevention and Response.

Status: 03/06/2008-Referred to Com. on NAT. RES.

Location: 03/06/2008-A NAT. RES.

League position: Watch

Summary: Improves oil spill response technology.

22. AB 2911 (Wolk). Oil Spill Prevention and Response. Wildlife Contaminations.

Status: 03/13/2008-Referred to Coms. on NAT. RES. and W.,P. & W.

Location: 03/13/2008-A NAT. RES.

Position: Watch

Summary: Expand oiled wildlife care network.

23. AB 2912 (Wolk). Oil Spill Prevention and Response. Nonmarine Waters.

Status: 03/13/2008-Referred to Coms. on NAT. RES. and JUD.

Location: 03/13/2008-A NAT. RES.

League Position: Watch

Summary: Non-marine oil spills.

24. AB 2935 (Huffman). Oil Spill Prevention and Response.

Status: 03/13/2008-Referred to Coms. on NAT. RES. and G.O.

Location: 03/13/2008-A NAT. RES.

League Position: Watch

Summary: Improves readiness in shoreline communities.

COMMITTEE ON ENVIRONMENTAL QUALITY
Update on Solid Waste Issues
April 2008

Update on Solid Waste Issues

There are three solid waste bills that the League has been watching for some time and will need to engage in over the next few months. The bills with a short summary are listed below – we will provide further updates on each during the policy committee meeting.

The League convened a conference call with the Solid Waste Working Group in mid-March to review these bills. The working group will continue to hold conference calls as necessary to review and comment on each piece of legislation. Additionally, the group is working on scheduling an in-person meeting with Assembly Member Jared Huffman to talk with him about his legislation and brief him on the solid waste issues local governments throughout the state are facing.

SOLID WASTE LEGISLATION:

1. SB 1016 (Wiggins). Diversion. Annual Report.

Status: 12/05/2007-Hearing postponed by committee. (Refers to 7/2/2007 hearing)

Location: 05/24/2007-A NAT. RES.

League Position: Watch

Summary: This bill authorizes the California Integrated Waste Management Board to allow a city or a county that has diverted more than 50 percent of solid waste through source reduction recycling, and composting activities to submit the required annual report on a biennial basis (rather than an annual basis as is currently required).

2. SB 1020 (Padilla). Solid Waste. Diversion.

Status: 08/30/2007-Hearing postponed by committee.

Location: 08/30/2007-A APPR. SUSPENSE FILE

League Position: Watch

Summary: This bill requires the California Integrated Waste Management Board to develop a plan to achieve a 75% statewide rate of solid waste diversion from landfills and other disposal facilities.

3. AB 2640 (Huffman). Solid Waste. Compostable Organics Management.

Status: 03/13/2008-Referred to Com. on NAT. RES.

Location: 03/13/2008-A NAT. RES.

League Position: Watch

Summary: Would require the California Integrated Waste Management Board to adopt policies and to develop and implement programs, to ensure that on and after January 1, 2020, the amount of compostable organics subject to landfill disposal or otherwise deposited in landfills is reduced as specified. Additionally, this measure will:

- Require all green materials being used for beneficial reuse and ADC to be subject to the state disposal fee.
- Phase out the diversion credit for green materials used for beneficial reuse, including alternative daily cover (ADC), by 2015. Local governments will be notified of the diversion credit removal.

COMMITTEE ON ENVIRONMENTAL QUALITY
Suggested League Policy on Extended Producer Responsibility
April 2008

Extended Producer Responsibility -- Suggested League Policy.

At the League's January 2008 EQ Policy Committee, the committee received presentations from two speakers:

Heidi Sanborn, Executive Director, California Product Stewardship Council
Paul Abernathy, Executive Director, Association of Lighting and Mercury Recyclers

What is EPR?

EPR is a policy approach that refers to shifting responsibility away from local governments and general taxpayers to the manufacturer of a product. There are a number of different levels of responsibility that manufacturers can assume for their products from post-consumer recycled packaging to full take-back of a product or packaging.

Proponents of EPR policy have been working diligently with local governments to encourage the passage of resolutions and ordinances supporting EPR policy. To date, an estimated 22 cities that have pledged to support EPR policy initiatives and legislation.

Existing League Policy

Existing League policy provides both indirect policy support for EPR as well as support for a number of similar types of EPR policies. Existing League policy states:

“The League supports legislation implementing the concept of manufacturer responsibility for electronic waste (e-waste). This includes, but is not limited to, encouraging or providing incentives for e-waste recycling, requiring manufacturers of computer, CRT or other electronic products considered universal wastes, to operate or fund comprehensive, extended producer responsibility programs.”

The League also supports the existing fee on beverage containers for the purposes of recycling those containers at recycling centers or in curbside recycling programs.

In January, the committee voted to do two things (with one 'no' vote):

1. Change existing policy (see above) to read:

The League supports legislation implementing the concept of manufacturer responsibility ~~for electronic waste (e-waste).~~

2. The committee additionally directed League staff to revise the rest of the above section of existing policy (the sentence starting with “*This includes, but is not limited to...*”) to reflect the broad discussion of extended producer responsibility held by the policy committee, with the request for League staff to bring draft language to the committee for approval at the April meeting.

Proposed New League Policy

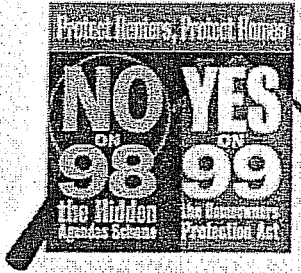
The League supports legislation implementing the concept of ~~manufacturer~~ **producer** responsibility. **This includes, but is not limited to, mandating or providing incentives, including funding for, comprehensive producer responsibility programs for hazardous and universal wastes that remove these products from the waste stream and away from local government operated programs.**

What products does this statement include?

- Any product designated as a hazardous waste;
- Any product designated by DTSC as a universal waste:
 - Mercury thermostats;
 - Batteries;
 - Lamps;
 - Non-empty aerosol cans;
 - Mercury switches;
 - Mercury thermometers;
 - Pressure or vacuum gauges;
 - Dilators and weighted tubing;
 - Rubber flooring;
 - Any novelties that contain mercury or mercury batteries;
 - Mercury gas flow regulators;
 - Counterweights and dampers;
 - Dental amalgam;
 - Consumer electronic devices;
 - Cathode Ray Tubes (CRT's); and,
 - Gauges.

What does it not include?

- Organic, non-toxic wastes
- Cans and bottles (which currently are recycled through the state beverage container program)



**NO on Prop. 98 –
Threatens Renter Protections, Water
Infrastructure and Local Land Use Planning**

**YES on Prop. 99 –
Support Real Reform**

**NO on Prop. 98 - Measure Would Abolish Rent Control, Stop Water
Infrastructure Projects, and Destroy Land-Use Planning**

Wealthy apartment and mobile home park owners are spending millions on a deceptive campaign to pass Prop. 98 for their own financial gain. These landlords want voters to believe that Prop. 98 – dubbed the Hidden Agendas Scheme – is about eminent domain. But their hidden agenda is to eliminate rent control so they can make hundreds of millions of dollars by raising rents on seniors and working families. To make matters worse, the measure also contains poorly drafted provisions that could stop future water projects, destroy local land-use planning and erode environmental protections.

If passed, Proposition 98 would:

- × **Eliminate rent control and other renter protection laws.** The true purpose of Prop. 98 is to abolish rent control in California – making it extremely difficult for thousands of seniors and widows on fixed incomes, single mothers and working families to find adequate housing they can afford. The measure would also gut renter protection laws, such as laws requiring the fair return of rental deposits and laws requiring 60-day notice before forcing tenants out of their housing.
- × **Threaten water quality and supply.** Drafting errors in Proposition 98 would be locked into the Constitution and could prohibit the acquisition of land and water through eminent domain to develop *public* water projects – threatening many future water projects intended to preserve clean drinking water, protect existing water resources, and secure additional water supply. The Association of California Water Agencies says Prop. 98 “*could derail needed groundwater and surface water storage projects around the state*” and calls this flaw in the measure “*cause for alarm.*”
- × **Hurt the environment and stop regulations that protect our neighborhoods.** In the definitions section is a clause that would prohibit laws and regulations that “*transfer economic benefit to one or more private persons at the expense of the private owner.*” Because the courts have ruled that virtually all land-use decisions and environmental laws transfer economic benefit from one party to another, Prop. 98 would prohibit countless laws that protect our land, air, water and laws that protect our neighborhoods and home values.

YES ON PROPOSITION 99 - THE HOMEOWNERS PROTECTION ACT

Also on the June 2008 ballot is a real eminent domain reform measure that will constitutionally protect homeowners, without the hidden agendas and adverse consequences of Prop. 98:

- ✓ **Proposition 99 – The Homeowners Protection Act – will prohibit the government from using eminent domain to take a home to transfer to a private developer.**

Prop. 99 is supported by a broad coalition of homeowners, business, labor, cities, counties and environmentalists who want straightforward eminent domain reform that gets right to the heart of the infamous *KeLo* decision.



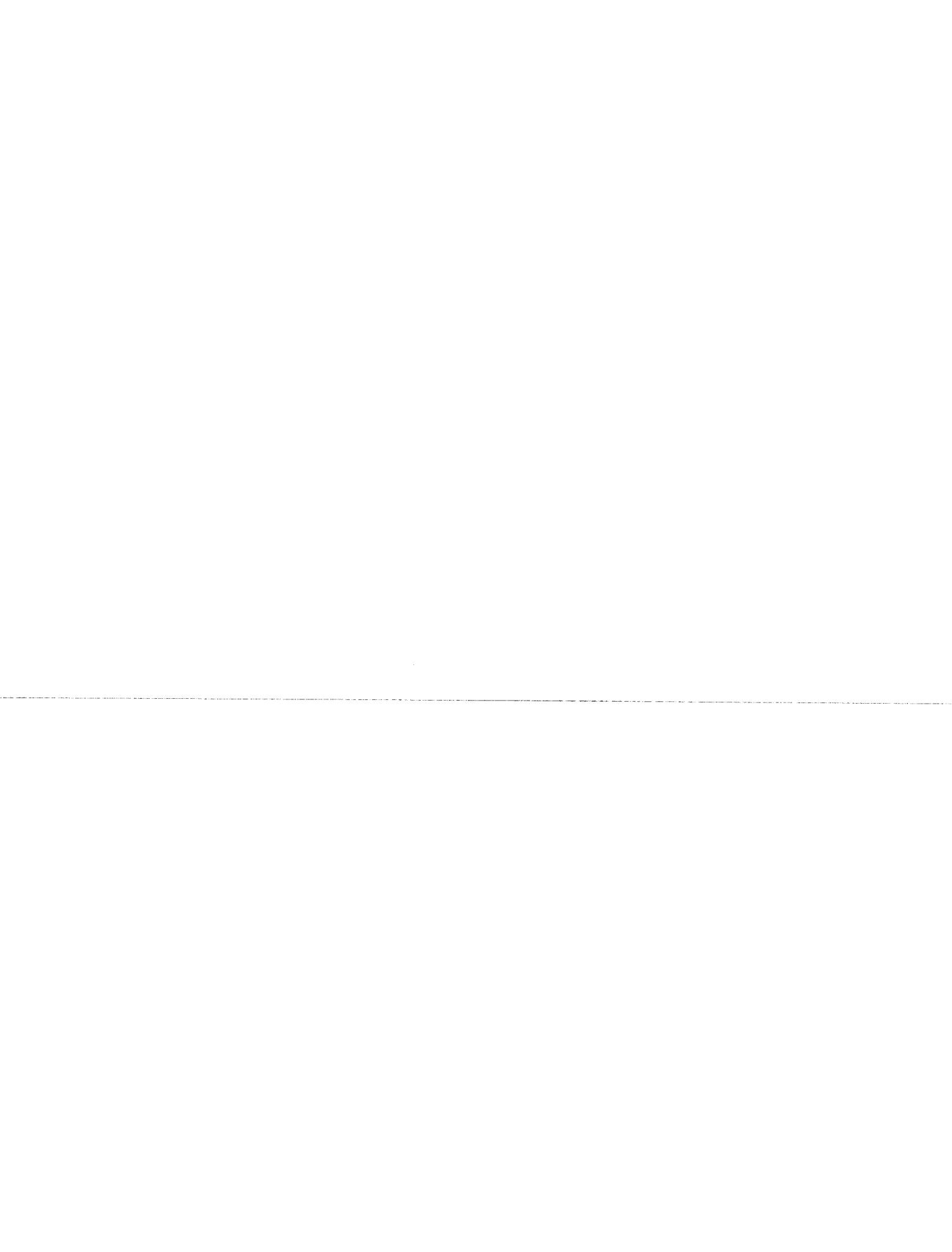
COMMITTEE ON ENVIRONMENTAL QUALITY

Coastal Cities Issues Group Update
April 2008

Coastal Cities Issues Group Update.

The attached letter was sent by Chair Jere Melo to the Executive Committee and other members of the Coastal Cities Issues Group (CCIG). The CCIG has made it standard practice to provide an update to the Environmental Quality policy committee on the latest with the CCIG, its work plan, and other informational items.

(The letter is attached for your information.)



DATE: February 18, 2008

TO: League Executive Committee Officers, Environmental Quality Policy Committee Members, CCIG

FROM: Jere Melo, Chair, Coastal Cities Issues Group

SUBJECT: Update on Coastal Cities Issues Group (CCIG) Meeting held Friday, February 15th, 2008 in Monterey

CCIG met for about 2 ½ hours in the afternoon of February 15. By my count, there were 22 city representatives and 4 League staff. Following are the highlights:

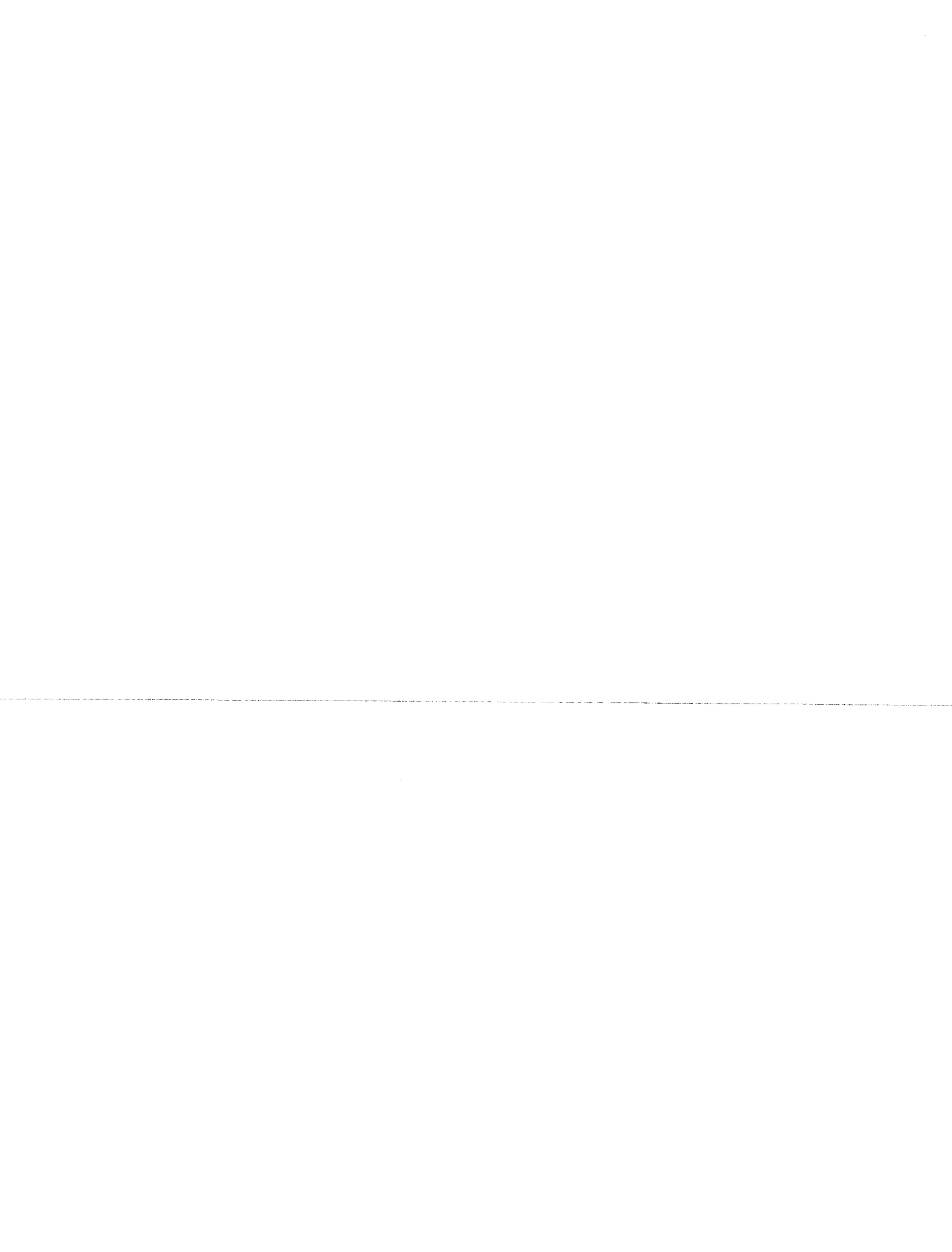
There were several reports of personal meetings with commissioners and alternate commissioners to explain the purpose of the CCIG work program which proposes to improve communication and working relationships. Responses have been positive. There are more personal meetings planned.

With respect to forming a Working Group of city representatives, commissioners and staff, we reviewed a commission staff letter indicating legal compliance and staff limit concerns. After discussion, the Chair and Co-Vice Chair were directed to draft a letter to the Commission to:

1. Request 15-20 minutes to address the entire Commission on April 10 at the regular meeting in Santa Barbara; and
2. Request designation of commissioners to help us explore clarification and efficiencies in the Local Coastal Plan process, including amendments to certified LCPs.

CCIG had deferred the matter of contacting counties and port authorities to work with the League. With the board-approved work plan, and after discussion, staff was asked to contact CSAC and the port authorities and invite their participation.

The initial discussion to implement the work plan centered on the LCP content in the Public Resources Code (Chapter 3 of the Coastal Act), involving commission staff early in the process and avoiding voluminous last-minute “suggested modifications” that have not been presented in local public process. Kevin Hamblin, Community Development Director from the City of Eureka, will coordinate a group of planners to prepare a draft outline for the content of LCPs and LCP amendments.



COMMITTEE ON ENVIRONMENTAL QUALITY
Solar and Clean Energy Act of 2008
April 2008

1. The Solar and Clean Energy Act of 2008.

Policy Question:

- Should the Environmental Quality Policy Committee take an “Oppose” position on the Solar and Clean Energy Act of 2008?

Staff Recommendation: Take an “Oppose” position on the Solar and Clean Energy Act of 2008 based on existing League policy.

League Executive Board: The League Executive Board, in a memo to city officials dated March 18, 2008 (see attachment H) recommended that city officials delay endorsing or opposing this proposed initiative until the League analysis is complete and a position on the measure is adopted by the relevant policy committees and the League board of directors.

Initiative Summary: Legal Title and Summary given on 12/14/2007; circulation deadline is 5/12/2008 with 433,971 signatures required.

The initiative includes a “Purpose and Intent” section which would specify the following:

- Require ALL utilities to provide 20% of power from renewable sources by 2010, 40% by 2020, and 50% by 2025. (Current law requires that 20 percent of electricity sold to customers by renewable by 2010; state agencies and the Governor have established a 33 percent target by 2020).
- The initiative would change the definition of ‘retail seller’ and would include publicly-owned utilities in the new definition.
- Would fast-track approvals for development of solar and clean energy plants and related transmission facilities.
- Would create production incentives; create new assessment of penalties for utilities that don’t comply; require 20-year long term contracts for solar and clean energy (current length is 10 years for contracts).
- Caps impacts on consumer electricity bills at 3 percent, (specifies no pass-through of rate increase to consumers).
- Gives the Public Utilities Commission (PUC) the power to enforce compliance of RPS upon privately-owned utilities, assess penalties, and prohibit utilities from passing on penalties to consumers.
- Grants power to California State Energy Resources Conservation and Development Commission (Energy Commission) to oversee compliance and penalty assessment for government-owned utilities.
- Grants power to the Energy Commission to allocate funds to purchase, sell, or lease property, personal property or rights of way for the development and use of the property and rights of way for the generation/transmission of solar and clean energy, and to upgrade existing transmission lines.

- o Makes a number of “Findings and Declarations” regarding climate change and other environmental factors in California, including California’s reliance on dirty energy. Makes reference to “government-owned utilities like those in Los Angeles and Sacramento [who] lobbied successfully to exempt themselves from the law.”
- o States that this issue is a matter of statewide concern and therefore would apply to all cities including charter cities.

Existing League Policy: The League has clear existing policy regarding municipally-owned utilities under Environmental Quality:

- The League supports the constitutional right of municipal utilities to operate outside the jurisdiction of the California Public Utilities Commission (PUC) and opposes any legislation that would erode the ability of municipal utilities to operate, or place them under PUC control.
- The League opposes legislation that dictates the mix of generating sources (i.e., hydro, coal, biomass, wind, etc.) used by municipal utilities.
- The League is neutral on legislation to require municipal electric utilities to include a “renewable portfolio standard” (RPS) in their mix of electricity, as long as the requirement is the same as that which applies to investor owned utilities. The League opposes legislation that requires municipal electric utilities to meet an RPS that is stronger than that applied to investor owned utilities.
- Municipal Utilities. The autonomy of municipal utilities should not be eroded. The League will oppose any legislation that harms municipal utilities.
- The League opposes air quality legislation that restricts the land use authority of cities. (The initiative is portrayed as ‘fix’ to poor air quality).

Fiscal Impact: The Attorney General’s Title and Summary identifies “potential state administrative costs of up to \$3.4 million annually for the regulatory activities of the Energy Resources Conservation and Development Commission and the California Public Utilities Commission, paid for by fee revenues. Potential, unknown increased costs and reduced revenues, particularly in the short term, to state and local governments resulting from the measure’s potential to increase retail electricity rates, with possible offsetting cost savings and revenue increases, to an unknown degree, over the long term to the extent the measure hastens renewable energy development.”

Other Issues: There are a number of problems that League staff has identified with this initiative. The main problems are as follows:

- Pre-empts Local Land Use Authority. Initiative reassigns permitting authority from locals to the Energy Commission for approval of solar and clean energy plants and related facilities within their jurisdictions. Local agencies would have 100 days after a project application is filed with the Commission to provide final comments, determinations, or opinions to the Commission. It is unclear whether the Commission has any obligation to defer to a city’s determination – for example, what happens when a plant location does not comply with the city’s general plan.
- Triggers Prevailing Wage. Initiative would trigger prevailing wage for private projects (which are currently not subject to the prevailing wage requirement). Any project filed with the CEC would be subject to the prevailing wage even if the project was funded entirely with private funds.
- Removes Local Control Over Resource Mix. Existing law in Public Utilities Code encourages municipalities who own utilities to consider renewable energy, while taking into consideration rates, reliability, financial resources, and the goal of environmental improvement. (This act would *remove local control over local decisions* on resource mix and may impact a utility’s financial resources.

Also, as technologies become cheaper and more efficient, there is nothing in this existing code section that would prevent a government-owned utility from making the decision to switch technologies or pursue a different resource mix).

Support/Sponsors of Initiative: Jim Gonzalez is the Campaign Chair of “Californians for Solar and Clean Energy” and the filer of the initiative. You can view the campaign website at www.solarandcleanenergy.org. There are a number of endorsers including former Senators Martha Escutia and John Vasconcellos.

Opposition: Opposition to the measure ranges from renewable energy groups, labor, utilities to environmental groups. Below are a few of the notables:

Center for Energy Efficiency and Renewable Technologies (CEERT)
California League of Conservation Voters
Natural Resources Defense Council
Environmental Defense
Union of Concerned Scientists
Vote Solar Initiative
Some renewable energy companies
Chapters of International Brotherhood of Electrical Workers
California Solar Energy Industries Association
American Wind Energy Association

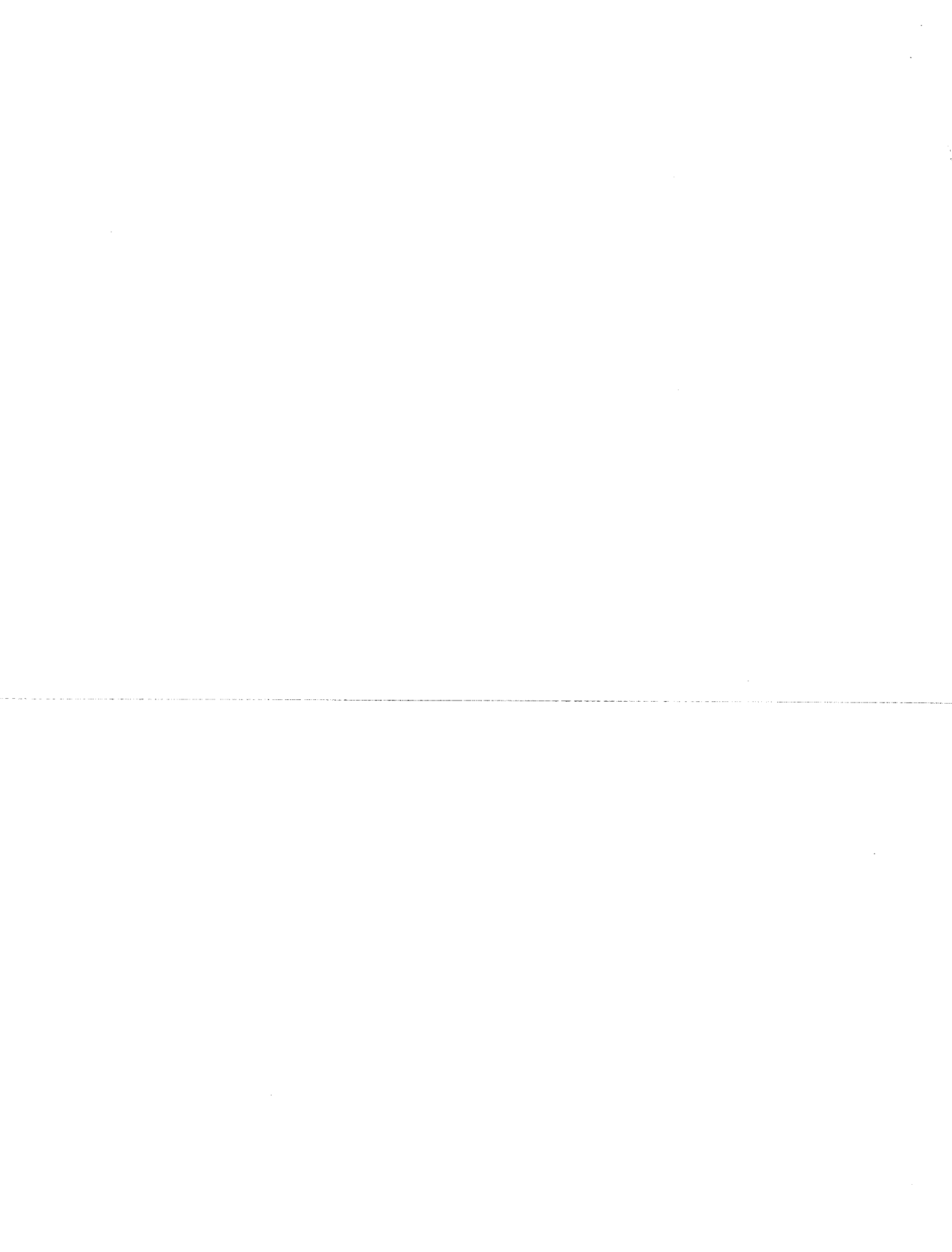
(California Municipal Utilities Association (CMUA) – has concerns about the initiative, but hasn’t taken a position because the measure has not yet qualified)

Opposition Main Arguments:

- Poorly drafted
- Language would actually reduce existing penalties for non-compliance
- 3% cap is unrealistic and no other cap like this exists for any other energy source
- Power shift to California Energy Committee
- Requirement of specific percentages of renewals doesn’t ensure that it will happen
- Rigid and arbitrary timetable for permitting decisions – 100-day period

Related Initiatives and Legislation: The same group, Californians for Solar and Clean Energy, also filed another initiative for title and summary (File # 2007-067). This version reflects and incorporates changes to the California Public Utilities Code and Public Resources Code made under SB 1036, which was signed into law last fall.

SB 411 (Simitian and Perata), is currently located in the Assembly Appropriations Committee. SB 411 extends and expands the state's Renewable Portfolio Standard (RPS) to require the investor-owned utilities (IOUs) and certain other retail sellers of electricity to increase their procurement of renewable resources to at least 33% of retail sales by 2020. There are two other spot bills that were recently introduced, AB 2792 (Blakeslee) and SB 1324 (Battin), that deal with the same code sections as SB 411, but there is no substantive language in either bill at this point.





1400 K Street, Suite 400 • Sacramento, California 95814
 Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

TO: California City Officials

FROM: Jim Madaffer, President and Council Member, San Diego
 Heather Fargo, First Vice President, Mayor of Sacramento
 Judy Mitchell, Second Vice President, Council Member, Rolling Hills Estates
 Pat Eklund, Immediate Past President, Mayor, Novato
 Chris McKenzie, Executive Director

DATE: March 18, 2008

RE: (1) Community Conversations About State Budget Cuts; and
 (2) Proposed Solar and Clean Energy Act of 2008

We are writing today to share some information on two issues—how city officials could become involved in community discussions about the community impacts of state budget cuts, and a proposed statewide initiative on solar power and renewable resources.

Community Conversations About State Budget Cuts. As the impacts of the proposed cuts in the state budget for 2008-09 are beginning to become tangible in the form of proposed teacher layoffs, class size increases, and social and human services reductions, city officials report to us they are being asked by community groups to discuss and explore the community impacts of these state budget reductions. City officials interested in having such a conversation know that their cities are experiencing serious revenue losses as well, and they don't want to put local public safety and other critical services at risk.

At a recent meeting of the City-County-School (CCS) Partnership we discussed the value of interested city officials inviting school and county leaders to council (or council committee) meetings to talk about the community impacts of the proposed cuts and how they could affect demand for city public safety or other services. Some of us are doing this now. For cities that choose to use this or any other technique to foster a community dialogue about the effects of these budget cuts on your community, attached are two fact sheets prepared by CSBA and CSAC. We urge you to contact your school and county officials for more information.

Proposed Solar and Clean Energy Act of 2008. A new initiative dealing with solar energy is in circulation, entitled the *Solar and Clean Energy Act of 2008*, which its sponsors claim will help fight global warming. The League is currently studying this proposal carefully because it is expected to qualify for the November ballot, and we recently learned city officials are already being asked to support it. You should be aware that the early analysis by the League staff shows it may significantly pre-empt local land use authority over solar and wind facilities and remove local control by municipal utilities over the mix of energy resources used in generating electricity. We also have learned that a number of respected environmental and other organizations have taken the unusual step of opposing the initiative—even before it qualifies for the ballot.

RECOMMENDATION: We recommend that you delay endorsing or opposing this proposed initiative until the League analysis is complete and a position on the measure is adopted by the relevant policy committees and the League board of directors.

Proposed budget cuts would devastate public schools

The governor's proposed budget reductions of \$4.4 billion would be disastrous for public schools and are fundamentally inconsistent with the state's goal of improving student achievement. Almost 20 years ago, voters passed Proposition 98 to ensure that students and schools would receive minimum funding. Proposals to suspend Proposition 98 conflict with the will of the voters and jeopardize the minimum education funding levels Proposition 98 provides for students and schools.

What could result from a \$4.4 billion cut to California schools?

The actions outlined below are examples of what it would take in order to realize a \$4.4 billion cut to the state's public schools.

- Shutting down every school across the state for nearly one month.
- Laying off more than 107,000 teachers.
- Increasing class sizes statewide by as much as 35 percent.
- Reducing per-student spending by more than \$800.
- Laying off over 137,000 bus drivers, janitors, food service workers, maintenance workers, nurses, and other education support professionals.
- Cutting more than \$24,000 per classroom.
- Cutting \$7.76 million per school district (assuming district enrollment of 10,000).
- Eliminating all music, art and career technical education programs statewide.

Some Facts About California Public Education

- California students and schools have been making significant progress on student achievement. Reading scores are up 25 percent and math scores have increased 17 percent in the last four years. This progress cannot continue with the proposed budget cuts.
- California currently has the highest academic standards in the nation.
- California continues to lose ground in per-pupil spending, now ranking 46th in the nation, and trailing the national average by nearly \$2,000 per student. Just getting to the national average would require an additional \$12 billion. The governor's proposal would result in schools being \$16 billion from that goal.
- The "Getting Down to Facts" studies commissioned by four major foundations in 2007 showed that billions more need to be invested in education in California to ensure that all students have an opportunity to succeed now and in the future.

SCHOOLS
An investment we can't afford to cut

BUDGET PROPOSALS AMPLIFY COUNTY CONCERNS ABOUT COMMUNITY IMPACTS



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500
Facsimile
916.441.5507

The Governor's proposed 2008-09 budget includes a number of reductions to county-administered programs that provide services and support to some of California's most vulnerable residents. Counties are concerned that these cuts will impact the health, safety and well-being of children, families and seniors and weaken community infrastructure. The 2008-09 proposed cuts are on top of seven years of underfunding county costs for administering human services programs.

CUTS TO FOSTER CARE PROGRAMS

Counties are very concerned that rate reductions to foster care providers will de-stabilize foster care placements and potentially harm foster children. Numerous counties report a steady loss of foster homes in the last five years—up to a 50 percent loss in higher cost counties because of low reimbursement rates and lack of supportive services.

CUTS TO CHILD WELFARE SERVICES

The across-the-board cut to Child Welfare will result in 1,005 fewer social workers and significantly reduced services for thousands of abused and neglected children. Higher caseloads for social workers will result in less time spent on family maintenance activities intended to reduce the risk to children and will undoubtedly result in more children in foster care. Other services impacted include health, mental health and justice systems. Approximately 70 percent of inmates in the prison system were foster children.

CUTS TO CALWORKS PROGRAM

The budget proposes a number of policy changes to the CalWORKs program that will cut children from the program. Counties are concerned about increase costs to other systems – including the child welfare system – and whether these policies will lead to family self-sufficiency.

CUTS TO MEDI-CAL

Under the Governor's budget, more than 150,000 children will lose health coverage due to increased bureaucratic barriers. In addition, the budget reduces funding for counties to process Medi-Cal applications, which will result in delays in access to health care. The budget also proposes to cut Medi-Cal services, including adult dental care. Rate reductions will result in fewer physicians accepting Medi-Cal and will impact access to care. County hospitals and clinics may see an increase in uncompensated care costs due to longer wait times for individuals to access Medi-Cal.

CUTS TO CALIFORNIA CHILDREN'S SERVICES (CCS) HEALTH PROGRAM

CCS budget proposals could drastically affect the services and health care of severely ill children. Medical Therapy cuts would result in longer waiting lists for children to receive physical therapy. Delays in medical care for CCS children could result in greater usage of emergency rooms.

CUTS TO COUNTY HOSPITALS

There are limited revenues available to counties to cover the costs of the uninsured, as county hospitals receive virtually no funds directly from the state for reimbursement for services to low-income patients. The budget proposes to redirect critical federal funds for the uninsured from public hospitals and state programs in order to save General Fund. County hospitals will see an increase in uncompensated care costs due to the loss of funding. This, in turn, could lead to a reduction in their capacity to provide essential health care to low-income patients.

CUTS TO SENIORS

The proposed budget reduces funding for the Adult Protective Services Program, which services abused and neglected seniors and dependent adults. The cut translates into a loss of 75 APS social workers statewide, with 18,755 fewer incidents of elder abuse and neglect investigated each year, and, of those that are investigated, an estimated 2,509 reports will have to be closed without a face-to-face interview. The reduction would shift related costs to local law enforcement and related emergency services, including psychiatric and paramedic response.

CUTS TO JUVENILE REHABILITATION FACILITIES AND CRIME PREVENTION GRANTS

These services represent core programs vital to the local probation system and must be sustained to implement the continuum of care envisioned in the juvenile justice alignment of 2007. Loss of these funds would result in diminished services for juveniles and may cause a rise in juvenile delinquency.

CUTS TO MENTAL HEALTH SERVICES

The budget proposals will limit the number of individuals who are able to access community-based outpatient services, but in the long term, they will result in increases in the population within the more costly state prison and state hospital systems. In addition, the budget proposes limiting needed day treatment services to high risk and high need children and youth, which could result in higher costs and more restrictive placements in hospitals, or in youth ending up in the criminal justice system. Additionally, reductions to day treatment could reduce the number of foster families willing to care for these children. If counties cannot secure mental health providers, children – including foster children and probation youth – may have trouble accessing necessary mental health services.

CUTS TO ALCOHOL AND DRUG TREATMENT

The Legislative Analyst's Office concludes that a reduction in funding for Proposition 36 would probably result in increased prison costs proportional to the amount of the reduction. Given the prison reform efforts underway and the Governor's early release plan, as well as the burgeoning costs in that system, a proposal to reduce funding to a program with demonstrated results does not make sound fiscal sense. To the extent that counties must retract treatment capacity, some areas of the state will not have a full continuum of alcohol and drug provider networks. Counties are particularly concerned about the loss of residential and outpatient beds.

EARLY RELEASE OF INMATES AND PAROLE REFORM

The budget proposes to provide early release to just over 22,000 state prison inmates who are within 20 months of their original release date and meet specific criteria. In addition, the state would place non-violent, non-serious and non-sexual offenders on "summary parole." Essentially, offenders on summary parole would receive no community supervision, but would still be subject to search and seizure by local law enforcement. Neither the summary parole nor the early release proposal contemplates a corresponding service structure to aid in successful reintegration of offenders back in the community. Likely to exacerbate the effects of these significant policy changes is the fact that the proposals come at a time when counties are being asked to make cuts to local law enforcement and social services.

Further, it is important to note that within this population mental health and/or substance abuse problems are pervasive. Counties believe that the lack of parolee or transitional services is, in effect, a cost shift to counties.

~end~