



October 3, 2013

To: Nicholas E. Chiulos, Director, Intergovernmental & Legislative Affairs, County of Monterey

Fr: John E. Arriaga, JEA & Associates

Re: 2012-13 Legislative/Administrative Highlights

In the last year, JEA & Associates has provided high-quality state advocacy for Monterey County. Aside from our professionalism, timeliness, building/maintaining positive relationships with the County's legislative delegation and legislative leadership and consistently keeping the County abreast of emerging issues, JEA & Associates has facilitated better posturing and/or success on several key issue areas that has brought additional revenue to the County and/or prevented a financial loss. These issue areas are included, but not limited, to the following:

- **AB 276 (Alejo – 2012- Chapter # 686)** – JEA & Associates was responsible to the introduction and stewardship of the very complex AB 276 which authorizes the Monterey County Board of Supervisors to establish by ordinance the Central Coast Hospital Authority (CCHA) to manage, administer and control the Natividad Med Center and other facilities.
- **AB 2443 (Williams – 2012 – Chapter # 485)** – JEA & Associates took a leadership role in the introduction of AB 2443, which made legislative findings re: Quagga/Zebra Mussel infestation problem and imposes a registration fee not to exceed \$10 on non-marine vessels to fund implementation and administration of a dreissenid mussel monitoring, inspection and eradication program.
- **Affordable Care Act (ACA) State Implementation** – This year's implementation of the ACA and fiscal realignment deal between the counties and the Administration was one of the more complex, intricate and financially significant undertaking since AB 109. With over \$13 million annually at stake to Monterey County, JEA & Associates provided critical and continuous updates, correspondence and strategies to the Board and County staff on changing implications of the lengthy negotiations. Additionally, we effectively represented the County and its interest with the legislative delegation, staff and committee staff. More importantly, JEA & Associates effectively maneuvered the County's unique position

amongst a select group of county lobbyists and CSAC executive staff. During our active participation with this group, a resolution exclusively for “hospital provider” counties was developed, and subsequently signed by the Governor (AB 85 – Committee on Budget – Chapter # 24) that mitigated previously estimated lost revenue and will be significantly more beneficial to the County as it implements the formula in the next few years.

- **Carmel Lagoon** – Attempting to find a reasonable solution and funding for the Lagoon has been a long-term issue for the County. This year, JEA & Associates has arranged numerous meetings with Secretary Laird, Director of Parks and Recreation Anthony Jackson, in addition to our legislative delegation. Additionally, we have worked closely with County staff in preparing and drafting advocacy material in exploring options, such as land transfers, or potential legislation.
- **Hydraulic Fracturing “Fracking”** – Due to an urgent wave of internal and external pressure, this “hot bed” of an issue was at the epicenter of debate with over thirteen bills being introduced. Among these numerous and conflicting bills, JEA & Associates provided insight to the County that the one bill to focus and base its advocacy upon would be SB 4 (Pavley – Chapter 313). With this correct strategy, JEA & Associates actively engaged the author’s staff, relevant committee staff and the legislative delegation in the County’s concerns over this controversial extraction practice that will undoubtedly affect County resources because of the Monterey Shale.
- **SB 445 (Hill)** – This last minute gut and amend in August, would have reprioritized the Board of State and Community Corrections’ (BSCC) criteria for awarding remaining Phase II AB 109 dollars, that would result in the County losing over \$43 million for its jail expansion. In this last ditch effort by San Mateo County to steal the top spot on the list, no notice was given and the bill was set for a hearing the next day. JEA & Associates identified the bill prior to the melee that ensued, and worked with County staff to identify issues. Once these grave concerns were known, JEA & Associates notified the legislative delegation to the County’s opposition and the significant loss of funds, if passed. Additionally, we drafted an opposition letter, lobbied Assembly Public Safety Committee staff, drafted testimony for Supervisor Salinas, coordinated interests with other county stakeholders and lobbyists, all while staying in continuous communication with key County staff. Less than 24 hours later, SB 445 died in committee after not even receiving a motion to vote on the bill. By JEA & Associates quick thinking and seamless advocacy, the County was able demonstrate its political strength amongst the others, namely San Mateo, and defeat their attempt to circumvent a rightful process.
- **SB 365 (Wolk)** – Less than a month after SB 445’s defeat, JEA & Associates was notified by the BSCC that they were going to pursue last minute legislation that would allow them to allocate unused Phase I funds and move them to Phase II for the purpose of fully funding the County’s jail expansion. After working closely with Senator Monning’s office and vetting language, SB 365 (Wolk) was amended 30 hours before the legislative session adjourned for the year. JEA & Associates immediately lobbied the Assembly Public Safety and Senate Budget and Fiscal Review Committees and its members, drafted a support letter, and coordinated with the legislative delegation’s staff and stakeholders on a strategy to seamlessly move the bill in the rough “end of session” waters. At both policy hearings, JEA &

Associates provided informative testimony on the County's critical need of these funds and the benefits it would deliver. SB 365 was passed by both Houses in the last hours of Session and was signed by the Governor on October 7th (Chapter # 627).

- **SB 778 (Committee on Transportation)** – JEA & Associates introduced initial language into this omnibus bill that would permit the transfer of Highway 68 from the state to the County for the purposes of building a round-about. Furthermore, JEA & Associates was able to prevent committee staff's recommendation that the County address the pre-maintenance work on the highway prior to the transfer, which would have resulted in millions of dollars in roadwork for the County.
- **Fort Ord Cemetery** – Like the Carmel Lagoon, securing funding to establish a Central Coast Veteran's Cemetery has remained a priority for the County. This year, JEA & Associates worked closely with Senator Monning's office in obtaining a \$1.5 million loan in the budget to start construction on the cemetery. Due to issues with the Department of Finance, once again, JEA & Associates worked with Senator Monning's office who, in a last minute amend, brought SB 232 forward, which would have made the \$1.5 million an appropriation, rather than a loan. In addition, we worked closely with the Senator's office and the County in supporting and advocating on SB 106 (Monning), which clarified last year's AB 1842 that would expedite funding to start construction of the cemetery.
- **AB 109 Growth Fund Formula** – This year the California State Association of Counties (CSAC) convened their Realignment Allocation Committee (RAC) to develop a formula for the purposes of distributing the funds to counties. The prior formula was not as beneficial to the county as expected. JEA & Associates communicated closely with key CSAC staff on the status of the RAC's progress, as well as, opportunities for the County to present their concerns. Furthermore, JEA & Associates strategized with County staff on ways to further its position/concerns with RAC, that resulted in a successful conversation we arranged between the County's Chief Administrative Officer (CAO) and a fellow CAO that sat on RAC. As a result of these conversations and calculated advocacy, the County improved their position in the final formula and will receive a larger share of the \$87 million in growth fund than previously proposed. CSAC will convene another RAC in the next few months, to develop a long-term formula for future AB 109 funds, and JEA & Associates will be working closely with County staff, CSAC and stakeholders to continue to increase Monterey County's allocation.
- **Water Bond** – This year, the Legislature was supposed to craft a comprehensive water bond package for next year's ballot. However, due to conflicted interests, lack of time and, more importantly, conflicting proposals from the Houses, it has been delayed until the beginning of 2014. With that said, JEA & Associates have ingrained ourselves in the groundwork that has already been accomplished. Besides thoroughly analyzing both proposals (AB 1331 and SB 42), we have met/communicated with the legislative delegation's key staff, committee staff, and stakeholders, as well as, participated on numerous water bond call, hearings and symposiums. Most recently, we testified at length at a recent Joint Senate Water hearing, where we outlined the County's concerns with size of the funds going to the central coast and the importance of safe drinking water in disadvantaged communities. The water bond

will be a priority issue for the County in the upcoming months, and we have made sure that the County is well-informed and strongly-represented when negotiations reconvene.

These are just some of the highlights identified in the past year. We continue to be responsive to the day-to-day requests made by department personnel and Supervisors on a wide-range of issues throughout the year.