

Item 1

Proposed Minutes

COMMISSION ON STATE MANDATES

Location of Meeting: via Zoom
March 25, 2022

Present: Member Gayle Miller, Chairperson
Representative of the Director of the Department of Finance
Member Spencer Walker
Representative of the State Treasurer, Vice Chairperson
Member Lee Adams
County Supervisor
Member Natalie Kuffel
Representative of the Director of the Office of Planning and Research
Member Renee Nash
School District Board Member
Member Sarah Olsen
Public Member
Member Yvette Stowers
Representative of the State Controller

NOTE: The transcript for this hearing is attached. These minutes are designed to be read in conjunction with the transcript.

CALL TO ORDER AND ROLL CALL

The Commission met in open session via Zoom under authority extended by Executive Order N-1-22. Chairperson Miller called the meeting to order at 10:03 a.m. Executive Director Heather Halsey called the roll. Members Adams, Kuffel, Miller, Nash, Olsen, Stowers, and Walker all indicated that they were present.

SUBCOMMITTEE APPOINTMENTS

Executive Director Halsey introduced this item, for the nomination of a member to the Litigation subcommittee and stated that the Litigation subcommittee had one opening, due to the reassignment of Member Jeannie Lee. Member Nash, as Litigation subcommittee alternate, nominated herself. Ms. Halsey indicated that Ms. Jeannie Lee was interested in being re-appointed to the Litigation subcommittee. Member Kuffel stated that Ms. Lee would be returning as a Commission member after her federal detail with the Biden Administration in May and was willing to serve. Chairperson Miller nominated Ms. Lee for the Litigation subcommittee. Member Olsen asked if Member Nash preferred to be the alternate versus the member of the subcommittee. Member Nash stated that she was happy to be the alternate. With a second by Member Kuffel, the Commission voted to appoint Ms. Lee to the Litigation subcommittee by a vote of 7-0.

APPROVAL OF MINUTES

Chairperson Miller asked if there were any objections or corrections to the January 28, 2022 minutes. Member Olsen made a motion to adopt the minutes. With a second by Member Adams, the Commission voted to adopt the January 28, 2022 hearing minutes by a vote of 6-0 with Member Kuffel abstaining.

PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA

Chairperson Miller asked if there was any public comment. There was no response.

HEARINGS AND DECISIONS PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, ARTICLE 7 (GOV. CODE, § 17551, 17557, 17559, and 17570) (action)

Executive Director Halsey swore in the parties and witnesses participating in the Article 7 portion of the hearing.

CONSENT CALENDAR

INFORMATIONAL HEARINGS PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, ARTICLE 8 (action)

ADOPTION OF ORDER TO INITIATE EMERGENCY RULEMAKING

- Item 6* Emergency Electronic Signature (Order 22-02), Proposed Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Article 1

ADOPTION OF ORDER TO INITIATE RULEMAKING

- Item 7* Electronic Signature (Order 22-03), Proposed Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Articles 1, 2, 3, 5, 6 and 7

ADOPTION OF ORDER TO INITIATE RULEMAKING

- Item 8* Conflict of Interest (Order 22-01), Proposed Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Article 9

Executive Director Halsey stated that Items 6, 7, and 8 were proposed for consent. Chairperson Miller asked if there were any objections to the Consent Calendar. There was no response.

Member Olsen made a motion to adopt the Consent Calendar. Member Walker seconded the motion. The Commission voted to adopt the Consent Calendar by a vote of 7-0.

APPEAL OF EXECUTIVE DIRECTOR DECISIONS PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 1181.1(c) (info/action)

- Item 3 Appeal of Executive Director Decisions

There were no appeals to consider for this hearing.

INCORRECT REDUCTION CLAIMS

- Item 4 *Municipal Storm Water and Urban Runoff Discharges*, 19-0304-I-03
Los Angeles Regional Water Quality Control Board Order No. 01-182;
Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009

City of Arcadia, Claimant

Executive Director Halsey stated that the claimant did not contact Commission staff to indicate whether or not they would be attending the hearing. Senior Commission Counsel Juliana Gmur presented this item and recommended that the Commission adopt the Proposed Decision to deny this Incorrect Reduction Claim.

Lisa Kurokawa appeared on behalf of the State Controller's Office.

Member Olsen stated that the word "Water" was missing from the title of the Los Angeles Regional Water Quality Control Board and made a motion to adopt the staff recommendation as amended with the word "Water" added to the board's title. With a second by Member Walker, the Commission voted to adopt the staff recommendation as amended by a vote of 7-0.

HEARINGS ON COUNTY APPLICATIONS FOR FINDINGS OF SIGNIFICANT FINANCIAL DISTRESS PURSUANT TO WELFARE AND INSTITUTIONS CODE SECTION 17000.6 AND CALIFORNIA CODE OF REGULATIONS, TITLE 2, ARTICLE 2 (info/action)

- Item 5 Assignment of County Application to Commission, a Hearing Panel of One or More Members of the Commission, or to a Hearing Officer

Executive Director Halsey stated that no SB 1033 applications have been filed.

REPORTS

- Item 9 Legislative Update (info)

Program Analyst Jill Magee presented this item.

- Item 10 Chief Legal Counsel: New Filings, Recent Decisions, Litigation Calendar (info)

Chief Legal Counsel Shelton presented this item.

- Item 11 Executive Director: Budget, Workload Update, and Tentative Agenda Items for the May 2022 and July 2022 Meetings (info)

Executive Director Halsey presented this item.

CLOSED EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 11126 AND 11126.2 (info/action)

The Commission adjourned into closed executive session at 10:29 a.m., pursuant to Government Code section 11126(e). The Commission met in closed session to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda; to confer with and receive advice from legal counsel regarding potential litigation; and to confer on personnel matters pursuant to Government Code section 11126(a)(1).

A. PENDING LITIGATION

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matters pursuant to Government Code section 11126(e):

Trial Courts:

None

Courts of Appeal:

1. ***On Remand from the Third District Court of Appeal, Case No. C070357***
State of California Department of Finance, State Water Resources Control Board, and California Regional Water Quality Board, San Diego Region v. Commission on State Mandates and County of San Diego, et al. (petition and cross-petition)
Third District Court of Appeal, Case No. C092139
Sacramento County Superior Court Case No. 34-2010-80000604
[*Discharge of Stormwater Runoff*, Order No. R9-207-000 (07-TC-09), California Regional Water Control Board, San Diego Region Order No. R9-2007-001, NPDES No. CAS0108758, Parts D.1.d.(7)-(8), D.1.g., D.3.a.(3), D.3.a.(5), D.5, E.2.f, E.2.g, F.1, F.2, F.3, I.1, I.2, I.5, J.3.a.(3)(c) iv-vii & x-xv, and L]
2. *City of San Diego v. Commission on State Mandates, State Water Resources Control Board, Department of Finance*
Third District Court of Appeal, Case No. C092800
Sacramento County Superior Court, Case No. 2019-80003169
(*Lead Sampling in Schools: Public Water System No. 3710020 (17-TC-03)*)
3. *County of San Diego v. Commission on State Mandates, Department of Finance, State Controller*
Fourth District Court of Appeal, Case No. D079742
San Diego County Superior Court, Case No. 37-2020-00009631-CU-WM-CTL
(*Youth Offender Parole Hearings (17-TC-29)*)

California Supreme Court:

1. *Coast Community College District, et al. v. Commission on State Mandates*, California Supreme Court, Case No. S262663
(Petition for Review Filed June 10, 2010)
Third District Court of Appeal, Case No. C080349
Sacramento County Superior Court, Case No. 34-2014-80001842
[*Minimum Conditions for State Aid*, 02-TC-25/02-TC-31
(Education Code Sections 66721, 66721.5, 66722, 66722.5, 66731, 66732, 66736, 66737, 66738, 66740, 66741, 66742, 66743, 70901, 70901.5, 70902, 71027, 78015, 78016, 78211.5, 78212, 78213, 78214, 78215, 78216, 87482.6, and 87482.7; Statutes 1975, Chapter 802; Statutes 1976, Chapters 275, 783, 1010, and 1176; Statutes 1977, Chapters 36 and 967; Statutes 1979, Chapters 797 and 977; Statutes 1980, Chapter 910; Statutes 1981, Chapters 470 and 891; Statutes 1982, Chapters 1117 and 1329; Statutes 1983, Chapters 143 and 537; Statutes 1984, Chapter 1371; Statutes 1986, Chapter 1467; Statutes 1988, Chapters 973 and 1514; Statutes 1990, Chapters 1372 and 1667; Statutes 1991, Chapters 1038, 1188, and 1198; Statutes 1995, Chapters 493 and 758; Statutes 1998, Chapter 365, 914, and 1023; Statutes 1999, Chapter 587; Statutes 2000, Chapter 187; and Statutes 2002, Chapter 1169; California Code of Regulations, Title 5, Sections 51000, 51002, 51004, 51006, 51008, 51012, 51014, 51016, 51018, 51020, 51021, 51022, 51023, 51023.5, 51023.7, 51024, 51025, 51027, 51100, 51102, 53200, 53202, 53203,

53204, 53207, 53300, 53301, 53302, 53308, 53309, 53310, 53311, 53312, 53314, 54626, 54805, 55000, 55000.5, 55001, 55002, 55002.5, 55004, 55005, 55006, 55100, 55130, 55150, 55160, 55170, 55182, 55200, 55201, 55202, 55205, 55207, 55209, 55211, 55213, 55215, 55217, 55219, 55300, 55316, 55316.5, 55320, 55321, 55322, 55340, 55350, 55401, 55402, 55403, 55404, 55500, 55502, 55510, 55512, 55514, 55516, 55518, 55520, 55521, 55522, 55523, 55524, 55525, 55526, 55530, 55532, 55534, 55600, 55601, 55602, 55602.5, 55603, 55605, 55607, 55620, 55630, 55750, 55751, 55752, 55753, 55753.5, 55753.7, 55754, 55755, 55756, 55756.5, 55757, 55758, 55758.5, 55759, 55760, 55761, 55762, 55763, 55764, 55765, 55800, 55800.5, 55801, 55805, 55805.5, 55806, 55807, 55808, 55809, 55825, 55827, 55828, 55829, 55830, 55831, 58102, 58104, 58106, 58107, 58108, 59404, and 59410; Handbook of Accreditation and Policy Manual, Accrediting Commission for Community and Junior Colleges (Summer 2002); and “Program and Course Approval Handbook” Chancellor’s Office California Community Colleges (September 2001).]

B. POTENTIAL LITIGATION

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matter pursuant to Government Code section 11126(e):

Based on existing facts and circumstances, there is a specific matter which presents a significant exposure to litigation against the Commission on State Mandates, its members or staff.

C. PERSONNEL

To confer on personnel matters pursuant to Government Code section 11126(a)(1).

RECONVENE IN PUBLIC SESSION

At 10:36 a.m., the Commission reconvened in open session.

REPORT FROM CLOSED EXECUTIVE SESSION

Chairperson Miller reported that the Commission met in closed executive session pursuant to Government Code section 11126(e). The Commission conferred with and received advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the public notice and agenda, and conferred with and received advice from legal counsel regarding potential litigation, and, pursuant to Government Code section 11126(a)(1) to confer on personnel matters.

ADJOURNMENT

Hearing no further business, Chairperson Miller made a motion to adjourn the meeting. Member Adams seconded the motion. The Commission adopted the motion to adjourn the March 25, 2022 meeting by a vote of 7-0 at 10:37 a.m.

Heather Halsey
Executive Director

STATE OF CALIFORNIA
COMMISSION ON STATE MANDATES

RECEIVED

APR 22 2022

PUBLIC MEETING

**COMMISSION ON
STATE MANDATES**

FRIDAY, MARCH 25, 2022

10:03 A.M.

MEETING HELD

VIA ZOOM

A VIDEO COMMUNICATIONS PLATFORM

REPORTER'S TRANSCRIPT OF PROCEEDINGS

ORIGINAL

REPORTED BY:

KATHRYN S. SWANK

Certified Shorthand Reporter No. 13061

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A P P E A R A N C E S

(All attendees appeared remotely, via Zoom.)

COMMISSIONERS PRESENT

GAYLE MILLER
Representative for KEELY BOSLER, Director
Department of Finance
(Chair of the Commission)

SPENCER WALKER
Representative for FIONA MA
State Treasurer
(Vice Chair of the Commission)

YVETTE STOWERS
Representative for BETTY T. YEE
State Controller

LEE ADAMS III
Sierra County Supervisor
Local Agency Member

NATALIE KUFFEL
Representative for SAMUEL ASSEFA, Director
Office of Planning & Research

SARAH OLSEN
Public Member

RENEE C. NASH
Eureka Union School District
School District Board Member

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COMMISSION STAFF

JULIANA GMUR
Senior Commission Counsel

HEATHER A. HALSEY
Executive Director

JILL MAGEE
Program Analyst

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A P P E A R A N C E S C O N T I N U E D

COMMISSION STAFF

HEIDI PALCHIK
Assistant Executive Director

CAMILLE N. SHELTON
Chief Legal Counsel

PUBLIC PARTICIPANTS

LISA KUROKAWA
State Controller's Office

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ITEM NO.	PAGE
I. Call to Order and Roll Call	9
II. Litigation Subcommittee Appointment	
Item 1 Staff Report	11
III. Approval of Minutes	
Item 2 January 28, 2022	14
IV. Public Comment for Matters Not on the Agenda (none)	16
V. Proposed Consent Calendar for Items Proposed for Adoption on Consent Pursuant to California Code of Regulations, Title 2, Articles 7 and 8	17
VI. Hearings and Decisions Pursuant to California Code of Regulations, Title 2, Article 7	
A. Appeals of Executive Director Decisions Pursuant to California Code of Regulations, Title 2, Section 1181.1(c)	
Item 3 Appeal of Executive Director Decisions (none)	18
B. Incorrect Reduction Claims	
Item 4 Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-02	18
Los Angeles Regional Water Quality Control Board Order No. 01-182; Permit CAS004001, Part 4F5c3	

I N D E X C O N T I N U E D

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ITEM NO.	PAGE
B. Incorrect Reduction Claims	
Item 4 (Continued)	18
	Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009
	City of Arcadia, Claimant
VII. Hearings on County Applications for Findings of Significant Financial Distress Pursuant to Welfare and Institutions Code Section 17000.6 and California Code of Regulations, Title 2, Article 2	
Item 5 Assignment of County Application to Commission, a Hearing Panel of One or More Members of the Commission, or to a Hearing Officer (none)	23
VIII. Informational Hearings Pursuant to California Code of Regulations, Title 2, Article 8	
A. Adoption of Order to Initiate Emergency Rulemaking	
Item 6 Emergency Electronic Signature (Order 22-02), Proposed Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Article 1	17

I N D E X C O N T I N U E D

ITEM NO.		PAGE
	B. Adoption of Order to Initiate Rulemaking	
	Item 7 Electronic Signature (Order 22-03), Proposed Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Articles 1, 2, 3, 5, 6 and 7	17
	C. Adoption of Order to Initiate Rulemaking	
	Item 8 Conflict of Interest (Order 22-01), Proposed Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5, Article 9	17
	D. Reports	
	Item 9 Legislative Update	24
	Item 10 Chief Legal Counsel: New Filings, Recent Decisions, Litigation Calendar	29
	Item 11 Executive Director: Budget, Workload Update, and Tentative Agenda Items for the May 2022 and July 2022 Meetings	30
IX.	Closed Executive Session Pursuant to Government Code Sections 11126 and 11126.2	32
	A. Pending Litigation	
	B. Potential Litigation	
	C. Personnel	
X.	Report from Closed Executive Session	32

1
2
3
4
5
6
7
8
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11
12
13
14
15
16
17
18
19
20
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23
24
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I N D E X C O N T I N U E D

ITEM NO.	PAGE
Adjournment	34
Reporter's Certificate	35

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1 FRIDAY, MARCH 25, 2022, 10:03 A.M.

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3 CHAIRPERSON MILLER: Good morning, everyone. It's
4 lovely to see you all on screen. The meeting of the
5 Commission on State Mandates will come to order at
6 10:03.

7 And -- so we are still, due to the COVID-19 crisis,
8 and Executive Order N-1-22 extended the suspension of
9 certain requirements for public meetings until
10 March 31st of this year. Accordingly, requiring the
11 physical presence of board members at meetings and
12 providing a physical space for members of the public to
13 observe and participate have been suspended until
14 March 31st, so long as the agency makes it possible, as
15 we are doing here, for members of the public to observe
16 and address the meeting remotely, for example, by our
17 Zoom platform.

18 The Commission, of course, is committed to ensuring
19 that our public meetings are accessible to the public
20 and that the public has the opportunity to observe the
21 meeting and participate by providing written and verbal
22 comment on Commission matters.

23 Please note that the materials for today's meeting,
24 including the notice, agenda, and witness list, are
25 available on the Commission's website, www.csm.ca.gov,

1 under the "Hearings" tab. www.csm.ca.gov.

2 Also, please note that in the event we experience
3 technical difficulties or the meeting is bumped offline,
4 we will restart and allow for people to rejoin before
5 commencing the meeting.

6 And with that, I think, Ms. Halsey, we're ready to
7 establish a quorum, please.

8 MS. HALSEY: Sure.

9 Mr. Adams.

10 MEMBER ADAMS: Here.

11 MS. HALSEY: Ms. Kuffel.

12 MEMBER KUFFEL: Here.

13 MS. HALSEY: Ms. Miller.

14 CHAIRPERSON MILLER: Here.

15 MS. HALSEY: Ms. Nash.

16 MEMBER NASH: Here.

17 MS. HALSEY: Ms. Olsen.

18 MEMBER OLSEN: Here.

19 MS. HALSEY: Ms. Stowers.

20 MEMBER STOWERS: Here.

21 MS. HALSEY: Mr. Walker.

22 MEMBER WALKER: Here.

23 CHAIRPERSON MILLER: Great. Thank you, everyone.

24 We have a quorum. Lovely to see all of you.

25 MS. HALSEY: First up, we have Item 1, which is the

1 Litigation Subcommittee appointment. Due to the
2 reassignment of Member Jeannie Lee, one position on the
3 Litigation Subcommittee of the Commission is currently
4 vacant and needs to be filled. This appointment was
5 continued from the January meeting, as you may remember.

6 Any member may be nominated to serve and may
7 volunteer, upon a vote of the Commission, and may serve
8 on the Commission -- and may serve on the subcommittee.

9 For the conduct of the elections, nominations may
10 be made and a vote taken, and a nomination does not
11 require a second; or a member may make a motion to
12 appoint a member and then the motion requires a second
13 and a vote.

14 Our staff recommends that the members nominate
15 themselves or make a motion for one of their
16 counterparts to be appointed to the Litigation
17 Subcommittee upon approval of the Commission, and staff
18 further recommends that the Chairperson conduct this
19 election for the appointment to the Litigation
20 Subcommittee.

21 CHAIRPERSON MILLER: Great. Thank you so much.

22 Are there any nominations for the Litigation
23 Subcommittee and a motion?

24 MEMBER NASH: As the alternate, I'm willing to make
25 myself available --

1 MS. HALSEY: Natalie.

2 MEMBER NASH: -- if nobody else is interested.

3 CHAIRPERSON MILLER: Thank you.

4 MS. HALSEY: Sorry. I heard that Jeannie Lee was
5 interested in being appointed, potentially, and might be
6 nominated by you?

7 MEMBER KUFFEL: Yeah. Sorry. I was a little bit
8 confused since we're replacing Jeannie. But she is --

9 MS. HALSEY: Well, it's because it's been so long
10 that, yes, ironically, she's wanting to be appointed
11 again.

12 MEMBER KUFFEL: She's coming back in May from her
13 federal detail with the Biden Administration and is
14 willing to serve if that is what you would like.

15 MEMBER NASH: Fabulous.

16 CHAIRPERSON MILLER: Great. So then I will go
17 ahead and nominate Ms. Lee for the Litigation
18 Subcommittee.

19 Is there a second?

20 MEMBER KUFFEL: Second.

21 CHAIRPERSON MILLER: Are there any -- thank you,
22 Ms. Kuffel.

23 Are there any other nominations?

24 MS. HALSEY: So just to clarify, if there's
25 confusion, Ms. Jeannie Lee left on reassignment to work

1 for the federal government temporarily, and she's coming
2 back to OPR and will be rejoining the Commission. So if
3 people were confused about why that is -- why this is --
4 why we were replacing Jeannie potentially with Jeannie.
5 She's coming back.

6 MEMBER OLSEN: May I ask a question, please.

7 CHAIRPERSON MILLER: Please, Ms. Olsen.

8 MEMBER OLSEN: Since Ms. Nash volunteered and is
9 present, I would just like clarification as to whether
10 she prefers to be the alternate versus the member.

11 MEMBER NASH: I'm happy to be the alternate.

12 CHAIRPERSON MILLER: Yeah. Thank you. Thank you,
13 Ms. Nash.

14 Any other nominations?

15 (No response.)

16 CHAIRPERSON MILLER: Well, when there -- I
17 nominated and Ms. Kuffel seconded the nomination to
18 appoint Ms. Jeannie Lee to the Litigation Subcommittee.

19 And is there any other questions or further
20 discussion?

21 (No response.)

22 CHAIRPERSON MILLER: No? Any public comment.

23 (No response.)

24 Seeing none, Ms. Halsey, will you please take the
25 roll on the appointment of Ms. Lee to the Litigation

1 Subcommittee.

2 MS. HALSEY: Mr. Adams.

3 MEMBER LEE: Aye.

4 MS. HALSEY: Ms. Kuffel.

5 MEMBER KUFFEL: Aye.

6 MS. HALSEY: Ms. Miller.

7 CHAIRPERSON MILLER: Aye.

8 MS. HALSEY: Ms. Nash.

9 MEMBER NASH: Aye.

10 MS. HALSEY: Ms. Olsen.

11 MEMBER OLSEN: Aye.

12 MS. HALSEY: Ms. Stowers.

13 MEMBER STOWERS: Aye.

14 MS. HALSEY: Mr. Walker.

15 MEMBER WALKER: Aye.

16 CHAIRPERSON MILLER: Great. The nomination is
17 confirmed. Thank you, everyone. And thank you,
18 Ms. Nash, for offering to step up. We really appreciate
19 that a lot.

20 Next is Item Number 2. And are there any
21 objections or corrections to the January 28th, 2022,
22 minutes?

23 MEMBER OLSEN: Move adoption.

24 MEMBER ADAMS: I will second.

25 CHAIRPERSON MILLER: Thank you, Ms. Olsen. Thank

1 you, Mr. Adams. Moved by Ms. Olsen; seconded by
2 Mr. Adams.

3 Any questions?

4 (No response.)

5 CHAIRPERSON MILLER: Any public comment?

6 (No response.)

7 CHAIRPERSON MILLER: Seeing none, may we have the
8 roll, please, moved by Ms. Olsen; seconded by Mr. Adams.

9 MS. HALSEY: Sure. Sure.

10 Mr. Adams.

11 MEMBER ADAMS: Aye.

12 MS. HALSEY: Ms. Kuffel.

13 MEMBER KUFFEL: Abstain.

14 MS. HALSEY: Ms. Miller.

15 MEMBER KUFFEL: OPR didn't have representation.

16 CHAIRPERSON MILLER: Aye.

17 MS. HALSEY: Ms. Nash.

18 MEMBER NASH: Aye.

19 MS. HALSEY: Ms. Olsen.

20 MEMBER OLSEN: Aye.

21 MS. HALSEY: Ms. Stowers.

22 MEMBER STOWERS: Aye.

23 MS. HALSEY: Mr. Walker.

24 MEMBER WALKER: Aye.

25 CHAIRPERSON MILLER: Great. Thank you very much.

1 The minutes are approved.

2 Next we'll move to public comment, please,
3 Ms. Halsey.

4 MS. HALSEY: Sure. Now we will take up public
5 comment for matters not on the agenda. Please note that
6 the Commission may not take action on items not on the
7 agenda. However, it may schedule issues raised by the
8 public for consideration at a future meeting.

9 We invite the public to comment on matters that are
10 on the agenda as they are taken up.

11 CHAIRPERSON MILLER: Thank you very much.

12 Any public comment? Anyone wishing to comment on
13 items not on the agenda?

14 (No response.)

15 CHAIRPERSON MILLER: Seeing none, we will now move
16 to the next item.

17 MS. HALSEY: Next is the swearing in. Will the
18 parties and witnesses for Item 4 please turn on your
19 video and unmute your microphones and please rise and
20 state your names for the record.

21 MS. KUROKAWA: Lisa Kurokawa, State Controller's
22 Office.

23 (Parties/witnesses stood to be sworn or affirmed.)

24 MS. HALSEY: Thank you.

25 Do you solemnly swear or affirm that the testimony

1 which you are about to give is true and correct, based
2 on your personal knowledge, information, or belief?

3 MS. KUROKAWA: I do.

4 MS. HALSEY: Thank you. Please be seated.

5 Items 6, 7, and 8 are proposed for consent.

6 CHAIRPERSON MILLER: Great. Are there any
7 objections to the proposed consent calendar?

8 MEMBER OLSEN: Move adoption.

9 CHAIRPERSON MILLER: Thank you, Ms. Olsen.

10 MEMBER WALKER: Second.

11 CHAIRPERSON MILLER: Thank you, Mr. Walker.

12 The motion to adopt the proposed consent calendar
13 has been moved by Ms. Olsen; seconded by Mr. Walker.

14 Any questions or discussion?

15 (No response.)

16 CHAIRPERSON MILLER: Any public comment on the
17 consent calendar?

18 (No response.)

19 CHAIRPERSON MILLER: Seeing none, may we take the
20 roll, please.

21 MS. HALSEY: Mr. Adams.

22 MEMBER ADAMS: Aye.

23 MS. HALSEY: Ms. Kuffel.

24 MEMBER KUFFEL: Aye.

25 MS. HALSEY: Ms. Miller.

1 CHAIRPERSON MILLER: Aye.

2 MS. HALSEY: Ms. Nash.

3 MEMBER NASH: Aye.

4 MS. HALSEY: Ms. Olsen.

5 MEMBER OLSEN: Aye.

6 MS. HALSEY: Ms. Stowers.

7 MEMBER STOWERS: Aye.

8 MS. HALSEY: Mr. Walker.

9 MEMBER WALKER: Aye.

10 CHAIRPERSON MILLER: Great. The consent calendar
11 is approved.

12 Thank you very much, everyone.

13 Next is Item Number 3.

14 MS. HALSEY: Item 3 is reserved for appeals of
15 Executive Director decisions, and there are no appeals
16 to consider for this hearing.

17 Next is Item 4. Senior Commission Counsel Juliana
18 Gmur will please turn on her video and unmute her
19 microphone and present a proposed decision on an
20 incorrect reduction claim on Municipal Storm Water and
21 Urban Runoff Discharges.

22 The claimant did not contact the Commission staff
23 to indicate whether or not they would be attending this
24 hearing.

25 CHAIRPERSON MILLER: Good morning, Ms. Gmur. Nice

1 to see you.

2 MS. GMUR: Good morning, Madam Chair,
3 Commissioners.

4 This incorrect reduction claim challenges the State
5 Controller's reduction of reimbursement claims filed by
6 the City of Arcadia for the Municipal Storm Water and
7 Urban Runoff Discharges Program for fiscal years 2002 to
8 2003 through 2008 to 2009.

9 The Controller found that the claimant failed to
10 identify and deduct, as offsetting revenues, Proposition
11 A, local return funds, which the claimant received from
12 the Los Angeles County Metropolitan Transportation
13 Authority and used to pay for the reimbursable
14 activities.

15 Staff finds that the Controller's reduction is
16 correct, as a matter of law. Under Article XIII B,
17 Section 6, of the California Constitution, the State is
18 required to provide reimbursement only when a local
19 government is mandated by the State to spend its own
20 proceeds of taxes, subject to the appropriations limit
21 of Article XIII B.

22 Proposition A is a transactions and use tax levied
23 by the Transportation Authority, a portion of which is
24 distributed to cities for use on eligible transportation
25 projects. These taxes, however, are not levied by or

1 for the cities. Thus, they are not the claimant's local
2 proceeds of taxes not eligible for reimbursement, and
3 the funds must be identified as offsetting revenues
4 against its reimbursement claims.

5 Accordingly, staff recommends that the Commission
6 deny the IRC and authorize staff to make any technical,
7 nonsubstantive changes to the proposed decision
8 following this hearing.

9 CHAIRPERSON MILLER: Great. Thank you very much,
10 Ms. Gmur.

11 Any -- if the parties and witnesses could please
12 come back online, and state your names for the record.

13 Ms. Kurokawa, for the State Controller's Office, do
14 you have any comments?

15 MS. KUROKAWA: Yeah. My name is Lisa Kurokawa,
16 State Controller's Office, and we agree with the
17 Commission's decision -- or proposed decision.

18 CHAIRPERSON MILLER: Thank you, Ms. Kurokawa. We
19 appreciate you being here.

20 Any other public comments on this item? Anyone
21 wishing to comment on Item 4?

22 MEMBER OLSEN: I have a question.

23 CHAIRPERSON MILLER: Oh, please, Ms. Olsen. Yes,
24 of course.

25 MEMBER OLSEN: This is -- I apologize upfront.

1 This is because I'm the daughter of a grammarian. So in
2 this -- in this incorrect reduction claim, the board is
3 referred to as the Los Angeles Regional Quality Control
4 Board, repeatedly. I assume we mean the Water Quality
5 Control Board, and that that's just a technical change
6 that needs to be made?

7 CHAIRPERSON MILLER: That's a good question. I
8 appreciate the daughter of a grammarian.

9 Ms. Gmur.

10 MS. PALCHIK: You are muted, Heather, if you are
11 trying to say something.

12 MS. HALSEY: Sarah, will you repeat how it's
13 referred to?

14 MEMBER OLSEN: Item 4, Incorrect Reduction Claim.
15 Proposed Decision. Los Angeles Regional Quality Control
16 Board. It's missing the word "Water," and I don't think
17 there's been a change in how they are referred to.

18 MS. HALSEY: No. That's correct. It should have
19 "Water."

20 MEMBER OLSEN: And it's repeatedly done throughout
21 the entire write-up. So it was -- some sort of
22 substitution got made at some point.

23 MS. HALSEY: Okay. Well, we'll address that in the
24 adopted decision.

25 MEMBER OLSEN: Thank you.

1 CHAIRPERSON MILLER: Thank you so much, Ms. Olsen.
2 I really appreciate that.

3 And we'll move -- if the item is moved, we will do
4 that as amended to the -- with the inclusion of "Water."
5 That's a really great point. Thank you for pointing
6 that out.

7 MEMBER OLSEN: And I will move adoption of the
8 staff recommendation as well.

9 CHAIRPERSON MILLER: Great. Thank you very much.
10 As amended, correct, to include "Water" in the title.

11 Thank you.

12 Do we have a second?

13 MEMBER WALKER: Second.

14 CHAIRPERSON MILLER: Thank you, Mr. Walker.

15 Just making sure that there's nobody else -- no
16 member of the public that wants to comment for any
17 reason. Ms. Palchik, you don't see anyone?

18 Just as a reminder, if you would like to comment,
19 please use the raise hand feature in the Zoom interface.

20 MS. PALCHIK: I see none, Madam Chair.

21 CHAIRPERSON MILLER: Great. Thank you very much.

22 With that, we have a motion as amended by
23 Ms. Olsen; a second by Mr. Walker, to move the staff
24 recommendation.

25 May we have the roll call, please.

1 MS. HALSEY: Mr. Adams.

2 MEMBER ADAMS: Aye.

3 MS. HALSEY: Ms. Kuffel.

4 MEMBER KUFFEL: Aye.

5 MS. HALSEY: Ms. Miller.

6 CHAIRPERSON MILLER: Aye.

7 MS. HALSEY: Ms. Nash.

8 MEMBER NASH: Aye.

9 MS. HALSEY: Ms. Olsen.

10 MEMBER OLSEN: Aye.

11 MS. HALSEY: Ms. Stowers.

12 MEMBER STOWERS: Aye.

13 MS. HALSEY: Mr. Walker.

14 MEMBER WALKER: Aye.

15 CHAIRPERSON MILLER: Great. Thank you very much.

16 That motion carries.

17 And moving on to Item 5, please.

18 MS. HALSEY: We will now ask presenters for Item 4

19 to please turn off their video and mute their

20 microphones.

21 Item 5 is reserved for county applications for a
22 finding of significant financial distress, or SB 1033
23 applications. No SB 1033 applications have been filed.

24 Item 6, 7, and 8 were on the consent calendar.

25 Program Analyst Jill Magee will please turn on her

1 video and microphone and present Item 9, the Legislative
2 Update.

3 CHAIRPERSON MILLER: Good morning.

4 MS. MAGEE: Good morning. The following are the
5 legislative updates since the last time the Commission
6 met:

7 First, AB 1610, State mandates: claims, which
8 proposed to reduce the statutorily required minimum
9 amount of costs incurred to file the mandate
10 reimbursement claim from \$1,000 to \$800 was introduced
11 by Assemblymember Lackey on January 5th, 2022, and was
12 referred to the Assembly Committee on Local Government
13 on January 14th.

14 This bill contains similar language to the member's
15 2020 and 2021 spot bills, which staff tracked
16 previously.

17 According to the author's office, they will not be
18 moving forward with this bill.

19 Next, AB 1967, State government. Existing law sets
20 forth the sole procedure by which local agencies and
21 school districts may claim reimbursement for costs
22 mandated by the State. This bill would make technical,
23 nonsubstantive changes to those provisions, and was
24 introduced by Assemblymember Daly on February 10th,
25 2022.

1 According to the author's office, this is not a
2 spot bill and will be amended.

3 Next, AB 1733, State bodies: open meetings.

4 As was detailed in the legislative update for
5 today's agenda, this bill makes changes to the
6 Bagley-Keene Open Meeting Act. This bill was introduced
7 by Assemblymember Quirk on January 31st, 2022, and was
8 referred to the Assembly Committees on Governmental
9 Organization, and Business and Professions on
10 February 18th.

11 Next, AB 1795, Open meetings: remote participation.
12 This bill would require state bodies to provide all
13 persons the ability to participate both in person and
14 remotely in any meeting and to address the body
15 remotely.

16 This bill was introduced by Assemblymember Fong on
17 February 7th, 2022, and was referred to the Assembly
18 Committee on Governmental Organization on February 18th.

19 Next, AB 2066, Communication: telegraph
20 corporations, telegraphy, and telegrams. This bill
21 makes changes to telegraph laws not relevant to the
22 Commission. This bill would also amend the provisions
23 for special meetings, under Bagley-Keene, by removing
24 the telegram as a means for a member to waive notice.

25 This bill was introduced by Member Seyarto on

1 February 14th, 2022; was referred to the Assembly
2 Committee on Communications and Conveyance on
3 February 24th; was corrected on February 25th; and was
4 set for hearing on March 23rd.

5 Additionally, the following four bills that
6 Commission staff monitored last year died pursuant to
7 Article IV, Section 10(c), of the Constitution, because
8 they did not make it out of their house of origin by
9 January 31st, 2022: AB 1013, State Mandates, claims;
10 AB 885, Bagley-Keene Open Meeting Act: teleconferencing;
11 AB 29, State bodies: meetings; and, finally, AB 883,
12 State agencies: audits.

13 Staff will continue to monitor legislation for
14 bills that impact the mandates process.

15 Thank you.

16 CHAIRPERSON MILLER: Great. Thank you so much for
17 that thorough report.

18 Any questions from the board?

19 MEMBER OLSEN: This seems to be the day I have all
20 sorts of questions.

21 CHAIRPERSON MILLER: Good. I love it.

22 MEMBER OLSEN: So is there any update -- it is sort
23 of related to this, but kind of going off. Is there any
24 update on the likelihood that we're going to remain in
25 remote meetings versus Sacramento meetings?

1 MS. MAGEE: Not at this time.

2 CHAIRPERSON MILLER: Right. The legislation that
3 was passed last year expires on March 31st, 2022. And
4 while there are bills pending, it doesn't -- especially
5 in the next week, there doesn't seem to be any
6 indication that --

7 MEMBER OLSEN: So we should assume at this point
8 that the May meeting will be in person.

9 MS. HALSEY: Well, actually, we don't know that at
10 this point. For sure, commissions and boards that have
11 April meetings will almost certainly have to have them
12 in person. It is unclear whether that legislation will
13 move in time for the May meeting or not. We will notify
14 all the -- all the parties and also the members by the
15 end of April when we issue our agenda, whether it will
16 be in person or whether it will be remote when we have
17 more information on whether that legislation will be
18 moving in time.

19 MEMBER OLSEN: Okay. Thank you.

20 CHAIRPERSON MILLER: Yes, Mr. Adams.

21 MEMBER ADAMS: I was just going to mention, I'm on
22 another -- a state commission, and we are meeting in
23 April. And to answer Sarah's question, we are going
24 back to Sacramento because of the expiration of the
25 executive order.

1 I would be curious to know with the competing
2 bills, is there any guesses on what the likelihood is of
3 the future for all meetings, or is that really an open
4 question right now?

5 CHAIRPERSON MILLER: I think it's really an open
6 question. You know, as you know, I sit on about 80 of
7 these. And without exceptions, folks have plans to go
8 back in person in April. So I think it's -- it is
9 entirely up to the fate of the legislation. Of course,
10 the option under Bagley-Keene, there's some options
11 about hybrid, as long as you are in a public location.

12 So to the extent that there's any legislation that
13 anyone is particularly interested in, it is certainly
14 worthwhile to reach out to legislators and let them
15 know.

16 And I know, especially Ms. Olsen and Mr. Adams, you
17 deal with a lot of this as well. So it's something
18 we're all interested in seeing the outcome of.

19 MS. HALSEY: And Jill did provide, I think, a good
20 summary of what those different Bagley-Keene bills would
21 do and how they would work. So if you want to look
22 deeper into those and see if you favor one approach
23 versus another, that would be a good place to start.

24 MEMBER ADAMS: Thanks, Heather, and thanks, Madam
25 Chair.

1 Just a comment to Jill. Your comments about
2 telegrams, I found quite quaint. I think they probably
3 ought to remove carrier pigeons as well. It would be
4 interesting to know how many of us have ever used a
5 telegram. It's such a quaint term. So that's it.

6 MS. MAGEE: I agree.

7 CHAIRPERSON MILLER: I agree as well.

8 You know, we used to say it's going the way of the
9 dodo bird. Now we will have to say it's going the way
10 of the telegram or the newspaper, I think.

11 Any other questions or comments?

12 (No response.)

13 CHAIRPERSON MILLER: Thank you, Ms. Magee.

14 And we will certainly keep everyone updated as we
15 learn and know more.

16 MS. HALSEY: Thank you.

17 Next is the Chief Legal Counsel Report. Camille
18 Shelton will please turn on her video and microphone and
19 present Item 10.

20 MS. SHELTON: Good morning, everybody.

21 There have been no new filings and no new decisions
22 since the last meeting, but the Third District Court of
23 Appeal has set oral argument for Monday, March 28th, in
24 the Lead Sampling in Schools Test Claim. That one has
25 been filed by the City of San Diego.

1 Thank you.

2 CHAIRPERSON MILLER: Thank you, Ms. Shelton.

3 Now we will move to the Executive Director's
4 Report, please.

5 MS. HALSEY: On budget, the Budget Act of 2022 was
6 introduced in January, as you all know. The
7 Commission's budget was heard in Senate Subcommittee 4
8 on February 9th, and in the Assembly Budget
9 Subcommittee 4 on March 8th. And both committees passed
10 as proposed. So that was the status of the Commission's
11 budget and the Budget Act.

12 And budget funding for mandates was also approved
13 as proposed, with the recent storm water statewide cost
14 estimate added in for funding. So for that Los Angeles
15 storm water permit case, there is proposed funding
16 appropriated to pay those mandated claims.

17 And after this hearing, we have 40 test claims
18 pending, 37 of which are regarding storm water NPDES
19 permits. There is also one request for amendment of
20 parameters and guidelines and three statewide cost
21 estimates pending.

22 And then on inactive status, pending the outcome of
23 litigation, that's pending in the Third, there's one
24 parameters and guidelines regarding storm water.

25 And, finally, we have eight -- eight -- sorry.

1 Four IRCs remaining pending.

2 Commission staff currently expects to complete all
3 of the current pending test claims and IRCs by
4 approximately the January 24th, 2025, meeting, depending
5 on staffing and other workload.

6 For tentative agenda items, you can always refer to
7 the Executive Director's report from each hearing, and
8 it lists the items that we expect are most likely to be
9 heard in the next two hearings. And then we also have
10 reports on our website under "Pending Caseload." And
11 you can see all matters that have been filed with the
12 Commission and when they are currently tentatively set
13 if you want to get an idea of the long-term planning for
14 when thing will be heard.

15 That's all I have.

16 CHAIRPERSON MILLER: Great. Thank you very much.

17 Any questions for Ms. Halsey?

18 (No response.)

19 CHAIRPERSON MILLER: No. Any public comment?

20 MS. PALCHIK: I see none, Madam Chair.

21 CHAIRPERSON MILLER: Great. Thank you very much.

22 Our next order of business is to meet in closed
23 executive session pursuant to Government Code Section
24 11126(e), to confer with and receive advice from legal
25 counsel for consideration and action, as necessary and

1 appropriate, upon the pending litigation listed on the
2 published notice and agenda; and to confer with and
3 receive advice from legal counsel regarding potential
4 litigation.

5 The Commission will also confer on personnel
6 matters pursuant to Government Code section 11126(a)(1).

7 And we will reconvene in open session in
8 approximately 15 minutes.

9 Ms. Palchik sent out the closed session link. It's
10 a different link. If you could please sign off of this
11 one and sign on to that one, we would really appreciate
12 it. And we look forward to seeing you on the closed
13 session link.

14 Thank you, everyone.

15 (Closed session was held from
16 10:29 a.m. to 10:36 a.m.)

17 CHAIRPERSON MILLER: Thank you, everyone, so much.
18 It looks like we're all back and ready to reconvene in
19 public session.

20 The Commission met in closed executive session
21 pursuant to Government Code section 11126(e) to confer
22 with and receive advice from legal counsel for
23 consideration and action, as necessary and appropriate,
24 upon the pending litigation listed on the published
25 notice and agenda; and to confer with and receive advice

1 from legal counsel regarding potential litigation. And
2 the Commission also conferred on personnel matters
3 pursuant the Government Code section 11126(a)(1).

4 With no further business to discuss, I will
5 entertain a motion to adjourn.

6 I move to adjourn the meeting.

7 Is there a second?

8 MEMBER ADAMS: I will second.

9 CHAIRPERSON MILLER: Thank you, Mr. Adams.

10 It's been moved and seconded.

11 Do we want to call a roll call to adjourn,
12 Ms. Halsey?

13 MS. HALSEY: Yes.

14 Mr. Adams.

15 MEMBER ADAMS: Aye.

16 MS. HALSEY: Ms. Kuffel.

17 MEMBER KUFFEL: Aye.

18 MS. HALSEY: Ms. Miller.

19 CHAIRPERSON MILLER: Aye.

20 MS. HALSEY: Ms. Nash.

21 MEMBER NASH: Aye.

22 MS. HALSEY: Ms. Olsen.

23 MEMBER OLSEN: Aye.

24 MS. HALSEY: Ms. Stowers.

25 MEMBER STOWERS: Aye.

1 MS. HALSEY: Mr. Walker.

2 MEMBER WALKER: Aye.

3 CHAIRPERSON MILLER: Great. Thank you, everyone.
4 The meeting is adjourned. Have a great weekend, and
5 thank you as always to the Commission team. Take care,
6 everyone. Bye.

7 (Proceedings concluded at 10:37 a.m.)

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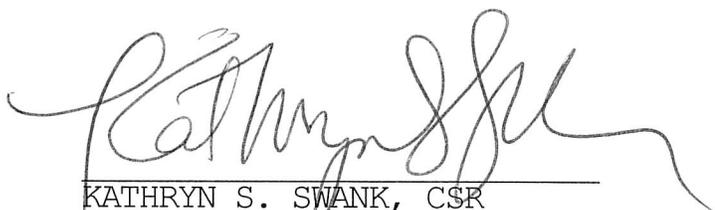
CERTIFICATE OF REPORTER

I, KATHRYN S. SWANK, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing proceedings were reported in shorthand by me, Kathryn S. Swank, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said proceedings nor in any way interested in the outcome of said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of April 2022.



KATHRYN S. SWANK, CSR
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License No. 13061