

2014 Priority Issues

1. State Revenue and Taxation Issues

For the 2014 California Legislative Session, the City will be paying particular attention to any legislation that affects funding to local governments. Last year the legislature continued to discuss how to develop a method of collecting state and local Utility User Tax (UUT) from prepaid cellular customers (AB 300). Cities with UUT regulations are losing revenue due to the difficulties of collection and the growing strength of the prepaid market. The measure ultimately was vetoed by the Governor. However, action on this issue is expected to resume in 2014. It is vital that the City continue to follow legislative proceedings closely and strongly hold an advocacy position that opposes any legislation that reduces or erodes local revenues or local control.

2. Investment Funding for Workforce Development

As in the past several years, “Investment Funding for Workforce Development” will continue to be a Priority Issue for the City in 2014. Financial resources from federal and state governments for workforce development, education and training programs are critical to address the effects of the recent economic downturn and its impact on the reemployment of dislocated workers and the successful transition of downsized businesses. These resources are also important in order to respond to the continuous churn of industries that is unique to the technology-driven Silicon Valley and the expected new growth in emerging sectors, which will require retraining workers for the skilled jobs that these new industries will bring. Given the current financial climate at the state and federal levels and the slow and protracted economic recovery, funding for workforce development for this region will be vulnerable in 2014 and could potentially threaten the viability of these local and essential programs and the economic sustainability of this community. In addition, at the federal level, the ongoing challenges with negotiating a long-term spending plan that has resulted in delays in receiving allocations in the past, coupled with cuts from sequestration are expected to further erode the funding base of the local workforce investment system. The impending reauthorization of the federal Workforce Investment Act may also impact the local governments’ authority and control in determining how best to allocate these shrinking resources, locally.

The City will track and take positions on federal and state proposals that will impact education and training of the local community’s workforce. This is in alignment with Council Policy 5.0 *Long-term Advocacy Positions - Socio-Economic*, Section 5.3 – *Education and Training*.

3. Interoperability/Public Safety Communications System

One of the prominent issues in public safety communications today is interoperability, defined by many as “the ability for public safety first responders to communicate with whom they need to, when they need to, when authorized.” Ensuring that our nation’s emergency responders can communicate effectively is of the utmost importance, whether during everyday situations, localized emergencies, statewide emergencies or national emergencies. It is a priority for the City to support resolving interoperability problems that affect emergency communications systems, remedying the current shortage of broadcast spectrum availability for public safety needs, and providing funding for interoperable equipment.

In the 2011/12 Congressional session, the City advocated in favor of H.R. 2629, the *Next Generation 9-1-1 Advancement Act* of 2011. This measure failed to become law. In 2014, the City will continue to monitor and potentially perform advocacy on similar legislation introduced by Congress or related regulatory action initiated by the Federal Communications Commission.

4. Redevelopment Law

On February 1, 2012, redevelopment agencies were eliminated state wide. In 2013, Legislators focused on developing new post-redevelopment tools. Some redevelopment agency dissolution bills made it through the process and were signed into law, but proposals for new tools and resources including efforts to make a proposed infrastructure financing district law into a useful tool stalled or were held back from the Governor. The City will continue to follow legislative proceedings closely and strongly hold an advocacy position that opposes any legislation that reduces or erodes local revenues or local control.

5. Environmental Regulatory & Conservation Issues

In 2013 continued interest in environmental issues at both the state and federal levels will likely result in regulations and legislation that could significantly impact the City. Monitoring and advocacy efforts will be geared to ensuring that emerging legislation is in alignment with the City's interests. Issues of importance to the City include solid waste reduction and recycling; product stewardship or extended producer responsibility programs; marine debris regulation; Extended Producer Responsibility; industrial storm water permit regulations; application of "cap and trade" GHG regulations to landfills; hazardous materials and clean-up of toxic sites; green building standards and requirements; greenhouse gas emissions regulation; and fossil fuel energy/renewable energy alternatives.

Specific items of interest include:

Water

The City supports provisions of National Pollutant Discharge Elimination System permit regulations that are attainable and reflect local conditions and circumstances. Along the same lines, new regulations and/or permit requirements that include numerical limits for municipal urban runoff discharge should be opposed as infeasible and a very expensive way to address the problem. It is in the City's continued interest to support non-point source discharge regulations, water conservation and recycling and pollution controls that benefit the City. Policies by Regional Water Quality Boards should recognize the goals of the Clean Water Act but apply an appropriate standard based on local circumstances.

Renewable Energy

The City will continue to monitor discussions regarding clean energy related issues including energy conservation, renewable energy, energy storage, distributed energy, and Community Choice Aggregation. It is in the City's interest to support policy that enables, accelerates and supports the deployment of clean energy. The City has particular interest in any discussions related to Community Choice Aggregation as it has a potentially large impact on the City's Climate Action Planning efforts. The City should be aware of any legislation that may have a regional and local impact on greenhouse gas emissions.

AB 32

In 2006, the Legislature passed and Governor Schwarzenegger signed AB 32, the Global Warming Solutions Act of 2006, which set the 2020 greenhouse gas emissions reduction goal into law.

In 2008, the State approved the AB 32 Scoping Plan, which contains the main strategies California will use to reduce the greenhouse gases (GHG) that cause climate change. The initial Scoping Plan has a range of GHG reduction actions which include direct regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, market-based mechanisms such as a cap-and-trade system, and an AB 32 program implementation fee regulation to fund the program. In 2013, discussions have begun on an Update to the AB 32 Scoping Plan to highlight progress to date, refine program parameters, defines priorities for the next five years, and sets the foundation for how post 2020 reduction targets will be achieved. The Air Resources Board plans to focus on six key topics areas for the post-2020 element. These include: (1) transportation, fuels, and infrastructure, (2) energy generation, transmission, and efficiency, (3) waste, (4) water, (5) agriculture, and (6) natural and working lands. It is in the City's interest to continue to monitor progress on this effort as it relates to its utility functions of wastewater, water, and landfill management and to the City's greenhouse gas reduction goals and approaches.

Sunnyvale Salt Ponds

The salt pond conversion project, to restore the salt ponds to their natural ecosystem and provide flood protection, is ongoing. A large amount of fresh water enters the San Francisco Bay from wastewater treatment plants in South Bay cities, including Sunnyvale. These inputs of freshwater will be included in the hydrodynamic modeling work conducted to evaluate the impact of alternatives on such things as salinity, water quality, and water levels. The Project Management Team (Team) is comprised of the California State Coastal Conservancy, the California Department of Fish and Game, the U.S. Fish and Wildlife Service, Santa Clara Valley Water District, Alameda County Flood Control and Water Conservation District, and the U.S. Army Corps of Engineers, as well as the Lead Scientist and Collaborative Process Coordinator. The Team will work with local treatment plants to gather data needed for the modeling effort, and to determine if there are opportunities for further collaboration. The project needs to be watched carefully, due to its proximity and possible impact on the City's Water Pollution Control Plant.

California Environmental Quality Act Reform

The 2014 California legislative session will involve considerable discussion about tackling substantive reforms to the California Environmental Quality Act (CEQA). CEQA is recognized as an important tool for ensuring public disclosure of potentially significant environmental impacts and for ensuring that adequate mitigation measures are included to reduce or avoid these impacts. Growing concerns have been expressed, however, that some groups are using CEQA inappropriately to delay a project, and often the opposition is not truly predicated on environmental concerns. Environmental impact reports are increasingly

challenged in the courts. Along with causing significant project delays, cities must commit considerable staff resources and incur substantial financial costs to defend these legal challenges. While CEQA reform has been a topic of regular discussion with numerous revisions enacted since the law was passed in 1970, the revisions have generally been incremental and ineffective in streamlining the CEQA process. CEQA reform has recently received a high level of attention among California legislators. The Silicon Valley Leadership Group is one of many groups advocating for comprehensive CEQA reform. Governor Brown has announced it as one of his legislative priorities for 2013, and State Senator Michael J. Rubio (D-Bakersfield) will be heading up the Senate subcommittee that will address this topic. The legislative proceedings will be followed closely by various environmental, business and civic groups, and the potential outcome will have direct implications on municipal functions, including comprehensive planning, capital improvement programs and development review. Staff will monitor the proposals that come out of the subcommittee process and keep the Council informed, including when input will be beneficial.

6. Regional and State-wide Water Supply Issues

The City of Sunnyvale has four different sources of water supply readily available. Over 90% of Sunnyvale water comes from two sources - the Hetch-Hetchy Reservoir through the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (District) State Water Project or Central Valley Project. Water supplies have been adequate for the past four years due to average rainfall and above average snowpack in winter 2011. State and Federal Water Projects supplies are also challenged due to California Bay Delta issues. In July 2012 Governor Jerry Brown outlined revisions to the Bay Delta Conservation Plan to ensure California's water system is sustainable from an environmental and economic perspective. Population growth, habitat loss and ongoing threats to levee stability and water supply have crippled the California Bay Delta, threatening the health and economies of California communities.

The Bay Area Water Supply and Conservation Agency (BAWSCA), SFPUC and the District have the lead on the primary regional issues around the water supply. However, it is important for the Council to stay current on the water resource issues as they progress, in order to lend support wherever needed by the suppliers. All support for SFPUC issues should also be coordinated with BAWSCA. In some cases BAWSCA may have suggestions, or coordinate efforts, for the suburban agencies to be sure to maintain a consistent and appropriate level of support, and any other involvement. The issue is being addressed in all areas of our State government. Support may involve meetings, letters of support, public testimony, and assignment of staff so that the City can best respond as a retailer, and work with our suppliers in the interests of the City's residential and commercial water consumers.

7. Local Authority Over Wireless Telecommunications Facilities

The wireless telecommunications industry has made efforts to limit or exempt local control over projects such as new wireless facilities. Several actions by federal and state lawmakers have resulted in: Limiting local authority of wireless telecommunications facility to aesthetics, and not RF exposure or the need for facilities; adding the provision of a "shot clock" requiring local agencies to complete review of projects to a specified time period; and, exempting a type of wireless facility from local permit authority because it is considered a "public utility." In 2012, Congress adopted Section 6409 of

the Middle Class Tax Relief and Job Creation Act which includes discussion about requiring local agencies to approve most co-located wireless telecommunications facilities. Most recently, the State Assembly considered a bill that would have prohibited a local agency from denying a request for a modification of an existing wireless telecommunications facility. That bill has been postponed and may be considered in 2014.

These efforts continue to erode the City's ability to effectively regulate wireless telecommunications facilities. The efforts have continued to take away local authority on facilities that directly affect a city's residents. The most recent Assembly bill includes a broad definition of what type of modifications must be approved by a local agency. Both the assembly bill and the requirements of the Middle Class Relief and Job Creation Act attempt to define "modification" as the addition of new antennas and equipment on an existing telecommunications location, and also prohibits a local jurisdiction from denying those modifications. This could for example, result in future wireless carriers adding antennas anywhere on a rooftop without screening if a prior carrier installed a facility on the same building (which would require screening by the City).