

Smith, Watts & Hartmann, LLC.

Consulting and Governmental Relations

MEMORANDUM

TO: Transportation, Water, and Infrastructure Committee
Contra Costa County Board of Supervisors

FROM: Mark Watts

DATE: October 2, 2017

SUBJECT: October Transportation, Water, and Infrastructure Report

Cap and Trade

In July, the Governor approved the two-bill package related to the extension of cap and trade, AB 398 (E. Garcia) and AB 617 (C. Garcia.).

With the approval of the extension of the Cap and Trade program, the focus of the Legislature turned to the development of Greenhouse Gas Reduction Fund (GGRF) expenditure plan. The Senate Pro Tem initially offered a \$1.5 billion plan and the Governor eventually proposed a \$1 billion plan. After deliberation by the Governor, Speaker and the Pro Tem, a final package emerged which appropriates \$1.5 billion, consisting of \$824 "carryover" funds from 2016-17 budget combined with the 40% portion of the auction proceeds from the most recent cap and trade auction.

The two key expenditure plan bills were approved before the Legislature adjourned for the 2017 Interim Recess. These bills were AB 109 and AB 134 (an appendix presents the overview of the plan).

An important note is that 60% of the auction was directly allocated to existing programs (\$900 million to High Speed Rail, transit, affordable housing, etc.) by virtue of the prior cap and trade expenditure plan approved in 2014.

Looking forward, it is anticipated that a new overall expenditure plan structure will be negotiated to reconsider all programs under cap and trade beyond 2020. This would be dealt with in 2018 legislation.

Regional Measure 3 - SB 595 (Beall)

Legislation to establish Regional Measure 3 (RM 3) was approved by both houses and is pending approval of the governor.

The bill requires the nine Bay Area counties to conduct a special election to increase the toll rate up to \$3 charged on state-owned bridges within the region to be used to meet the funding obligations associated with a specific listing of programs and projects. The allocations

in the initial expenditure plan were not considered equitable to what Contra Costa toll payers would be contributing to BATA and the following principles were adopted by the CCTA board:

- a nexus to bridges;
- equity in terms of toll contributions;
- access to bridge approaches; and
- allow CCTA to choose priority projects

Intense discussions with the author's office and neighboring county transportation agencies were conducted and following the month-long series of Bay Area wide negotiations among legislators and the other neighboring transportation agencies, the bill was approved before the Legislature recessed.

Autonomous Vehicles

The Livermore-Amador Valley Transit Authority (LAVTA) has worked with Assemblymember Baker to carry AB 1444, which authorizes LAVTA to undertake a pilot within the City of Dublin for shared Autonomous Vehicles (SAV). The intent is to better connect parking facilities with BART.

The bill passed the Senate Floor and received Assembly concurrence before moving on to the Governor.

AB 1069 (Low) Taxicab Oversight

The bill originally allowed taxis to be regulated by specified county transportation agencies in the 10 largest counties in the state, and established specific consumer protections and regulatory flexibilities. CCTA, CALCOG and other transportation agencies strongly opposed the measure.

In early September, the bill was greatly amended to require every city or county in which a taxicab company is substantially located to protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service rendered in vehicles designed for carrying not more than eight persons, excluding the driver, which are operated within the jurisdiction of the city or county.

The measure was approved by the Senate this past week and received Assembly Concurrence in the Senate language; it is now on to the Governor for his approval.

2017-18 Cap and Trade Spending Plan
40% Discretionary Portion
(millions of dollars)

Investment Category	Program	Amount
Air Quality (diesel reduction, low carbon transportation)	Carl Moyer Program, AQIP	\$250
	Agricultural Diesel Engine Replacement & Upgrades	85
	Clean Vehicle Rebate Project	140
	Freight Hubs/Ports: Zero Emission Freight Equipment Pilot Commercial Deployment Projects	140
	Clean Buses and Trucks	180
	Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	100
	<i>Subtotal, Air Quality</i>	<i>(\$895)</i>
Air Quality Related, Local Action	AB 617 State and Local Implementation Costs	\$12
	Technical Assistance to Community Groups	5
	Transformative Climate Communities	10
	<i>Subtotal, Air Quality-Related and Local</i>	<i>(\$27)</i>
Sustainable Agriculture	Methane Reduction	\$99
	Energy Efficiency	60
	Renewable Energy	6
	<i>Subtotal, Sustainable Agriculture</i>	<i>(\$165)</i>
Sustainable Forests	Fire Prevention and Healthy Forests	\$200
	Local Fire Response/Emergency Fire Protection	25
	<i>Subtotal, Sustainable Forests</i>	<i>(\$225)</i>
Short-Lived Climate Pollutants, Carbon Sequestration, Greening	Recycling Infrastructure	\$40
	Urban Forestry	20
	Urban Greening	26
	Wetlands Restoration	15
	<i>Subtotal, Short-Lived Pollutants, Sequestration, Greening</i>	<i>(\$101)</i>
Climate Adaptation & Resiliency, Research	Low Income Weatherization	\$18
	Natural Land Adaptation	20
	Coastal Adaptation	6
	Research	11
	<i>Subtotal, Adaptation, Resiliency, Research</i>	<i>(\$55)</i>
Off-the-top Accounting	SRA backfill (40% share of costs)	\$32
Total		\$1,500