

# **REGULAR AGENDA**

**-ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS CORNING HEALTHCARE DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S ORDER DATED MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY OF CORNING HEALTHCARE DISTRICT**

-RECOMMENDATION: Move to adopt RESOLUTION NO. 1-17-23, waive reading and adopt by title.

## **-BOARD MEMBER COMPENSATION REPORTING REQUIREMENTS**

Discussion should include decisions regarding reporting board member compensation to the IRS through payroll.

-RECOMMENDATION: Discuss options with District Counsel.

## **-FISCAL YEAR 2021-2022 AUDIT REPORT**

-RECOMMENDATION: Move to approve the fiscal year 2021-2022 audit report

## **-ACQUISITION OF SOLAR POWER**

Discussion should include placement and amount of solar energy to bring to campus.

-RECOMMENDATION: No action necessary at this time.



**RESOLUTION NO. 1-17-23  
A RESOLUTION OF THE BOARD OF DIRECTORS  
CORNING HEALTHCARE DISTRICT**

**PROCLAIMING A LOCAL EMERGENCY, RE-RATIFYING THE PROCLAMATION OF A STATE  
OF EMERGENCY BY GOVERNOR'S ORDER DATED MARCH 4, 2020 AND AUTHORIZING  
REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY OF  
CORNING HEALTHCARE DISTRICT FOR THE PERIOD OF  
JANUARY 17, 2023 TO FEBRUARY 16, 2023  
PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the CORNING HEALTHCARE DISTRICT is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the CORNING HEALTHCARE DISTRICT's legislative body is open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and



WHEREAS, the Board of Directors previously adopted a Resolution, Number 10-6-21 on October 6, 2021 finding that the requisite conditions exist for the legislative body of CORNING HEALTHCARE DISTRICT to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953. This Resolution was re-ratified on November 16, 2021 based on a further finding that the requisite conditions continued to exist for the legislative body of CORNING HEALTHCARE DISTRICT to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953.; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, such conditions now exist in the District, specifically, the State of Emergency declared by Governor Newsom on March 4, 2020, due to COVID-19. Pursuant to the Governor's subsequent Executive Order N-29-20, issued on March 17, 2020 a local legislative body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body. Masks are now optional for fully vaccinated employees and members of the public. Based on Occupational Safety & Hazard Agency (OSHA) standards, those entering without a mask are self-attesting to being fully vaccinated; and

WHEREAS, the Board of Directors does hereby find that the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency exists and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the District shall continue to conduct meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and;

WHEREAS, the CORNING HEALTHCARE DISTRICT commenced virtual meeting protocols on April 21, 2020 which include options for public participation.



NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the CORNING HEALTHCARE DISTRICT as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District.

3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

4. Remote Teleconference Meetings. The District Manager and Staff of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, but not limited to, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

5. Effective Date of Resolution. This Resolution shall take effect on January 17, 2023, and shall be effective until the earlier of February 16, 2023, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**ADOPTED** by the Board of Directors of the CORNING HEALTHCARE DISTRICT on January 17, 2023, by the following roll call votes:

AYES:

NOES:

ABSENT:

ABSTAINED:

# **BOARD MEMBER COMPENSATION REPORTING REQUIREMENTS**



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December 13, 2022

Ms. Tina E. Hale, District Manager  
Corning Healthcare District  
275 Solano Avenue  
Corning, California 96021

**Re: Board Member Compensation - reporting requirements**

Dear Ms. Hale:

Pursuant to our telephone conversation, I have researched the reporting requirements of board member compensation with regard to monthly meeting stipends. After consulting with tax advisors concerning this matter, the following information has been provided:

Due to the IRS' different treatment of private sector and public agency boards of directors, it comes as little surprise that many California special districts and public agencies continue to classify their board members as independent contractors and report their compensation on Form 1099-MISC — despite the fact that the IRS takes a contrary position.

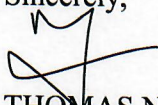
Most tax accountants and attorneys accept that private or for-profit board directors are treated as independent contractors. However, because of their status as “public officials,” the IRS considers elected or appointed public agency board members as employees for tax withholding purposes. From there, the rules for public agency board members, as one might expect, get even more complicated. For income and payroll tax withholding rules, the IRS treats public agency board members as “public officials” who are considered statutory employees (i.e., their income should be reported on a W-2 with income and payroll taxes withheld accordingly).

Although a number of California public agencies treat their board members as independent contractors for all tax purposes, a large number are now treating their board members as employees for all tax purposes after an aggressive push by the IRS to reclassify special district board members as employees for all tax purposes. The IRS has, on a number of occasions, issued private letter rulings (which can only be relied on by the requesting taxpayer) confirming its position that board members of a public agency are employees under the common-law control test. Given its position on the tax withholding and payroll tax issue, the IRS will likely challenge the classification of a special district board member as an independent contractor if it audits the agency's payroll. If audited, an agency could become liable for unpaid income taxes, payroll

taxes, interest and penalties. While there are sound arguments for treating Corning Healthcare District board members as independent contractors, the IRS is likely to challenge that position in the event of an audit.

If you have any questions, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'TNA', with a large, stylized flourish extending to the right.

THOMAS N. ANDREWS  
Attorney at Law

TNA:snf



# **ACQUISITION OF SOLAR POWER**



# California to lower incentives for rooftop solar panels

BY KATHLEEN RONAYNE

THE ASSOCIATED PRESS

SACRAMENTO >> California utility regulators on Thursday approved major changes to the state's booming rooftop solar market that they say will more evenly spread the cost of energy and help reduce the state's reliance on fossil fuels in the evening.

The state has long led the nation in adoption of rooftop solar panels, and today more than 1.5 million California homes and other buildings have them. Under a decades-old program, people with solar panels can get paid by their power companies by sharing excess solar energy they don't need, and the payments are so generous that some solar homes pay minimal electric bills.

That's led to criticism that rooftop solar customers aren't paying their fair share into the rest of the energy grid, which many still rely on for power when the sun goes down. Power rates also include things like transmission equipment and wildfire prevention work, and regulators approve a set amount of money that utilities can recover from customers.

The policy approved unanimously by the California Public Utilities Commission lessens the overall payment for selling excess power. It also revamps electric rates to try to encourage people to build home storage systems alongside their panels, so they can tap that stored power at night or feed it back to the grid, either of which would help the system rely less on fossil fuels.

"For the rooftop solar industry to remain sustainable, we must place greater value on exports during the truly fossil heavy time of day," Commissioner John Reynolds said. "In short, we are making this change because of our commitment to addressing climate change."

Though solar provides a lot of California's power during the day, fossil fuels largely take over in the evening and during the night. Sometimes, California has more solar power than it can use during the day. Existing rooftop systems are capable of generating about 12,000 megawatts of power, according to the commission, nearly six times what the state's last remaining nuclear plant generates.

But battery storage is not yet widespread. Today about 16% to 20% of the 150,000 households that install solar panels annually in California add battery storage systems, according to industry estimates.



The commission's vote followed sustained criticism over three hours of public comment in which some speakers accused the commission — and Democratic Gov. Gavin Newsom's administration — of hindering the state's climate efforts.

California has pushed forward with ambitious targets for weaning the state off oil and gas. Also Thursday, state air regulators approved a climate roadmap that says California must quadruple its solar and wind power to achieve carbon neutrality by 2045.

The fight over the solar changes has gone on for nearly two years, pitting the state's three major utilities against the solar industry, with many environmental groups caught somewhere in between. The changes will apply only to customers of Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric,, which collectively serve a majority of customers in the states. They would not affect people who already have rooftop solar.

A utility-backed coalition called Affordable Clean Energy for All estimates that \$4 billion in costs are shifted from solar to non-solar customers. Since the change doesn't apply to existing solar customers, the cost shift will continue putting pressure on energy bills for every else, the coalition argued.

"Numerous independent studies and testimony from diverse parties make clear the current solar subsidy program forces low-income families, renters, seniors and anyone who doesn't have rooftop solar to bankroll wealthier Californians' solar systems. Today's vote ensures this indefensible cost-shift will continue indefinitely," Kathy Fairbanks, a spokesperson for the coalition, said in a statement.

The solar industry disputes that number, saying it doesn't account for the benefits that rooftop solar provides for everyone, like making the grid more resilient and reducing the need for utilities to build more costly legacy power equipment.

Broadly, solar companies have warned that fewer people will add home solar because the overall value of rooftop solar is going down.

"The solar and storage industry remains concerned that the transition from net metering to the new net billing structure is too abrupt and threatens to slow the deployment of rooftop solar in California," Sean Gallagher, vice president of state and regulatory affairs for the Solar Energy Industries Association, said in a statement.

The policy includes a transition period that gives extra incentives to people who install panel and storage systems in the next five years. Low-income utility customers as well as people living in disadvantaged neighborhoods and tribal communities will get double the credits to install home systems. Still, some solar advocates argued the price of solar will be too expensive for those households.

The average household solar and storage system costs about \$26,000 when taking into account federal tax credits that cover about 30% of the cost, said Bernadette Del Chiaro, executive director of the California Solar & Storage Association.