



April 10, 2015

As previously reported, the California Water Commission held the first meeting of their Water Storage Investment Program (WSIP) Stakeholder Advisory Committee (SAC) last week. In addition to the SAC, the Commission is holding a series of public meetings in different regions of the state to inform citizens about the program and provide an opportunity for public input on the regulations and program development/implementation. The Commission is developing a competitive process to allocate \$2.7 billion in bond funds for the public benefits portion of qualified water storage projects. The Commission is required to develop and adopt regulations by December 15, 2016 that provides methods for quantifying and managing the public benefits of water storage projects. The first series of public meetings begin next week.

Three public meetings are scheduled as follows:

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| <p>North of the Delta Monday, April 13th 5:30-8:30</p> <p>Elks Lodge 1705 Manzanita Place Chico, CA 95926</p> | <p>South of the Delta Wednesday, April 15th 5:30-8:30</p> <p>Hugh M. Burns Building 2550 Mariposa Mall Fresno, CA 93721</p> | <p>Delta Tuesday, April 21st 5:30-8:30</p> <p>Pleasant Hill Community Center 320 Civic Drive Pleasant Hill, CA 94523</p> |
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Farm Bureau strongly encourages Farm Bureau members to attend, ask questions and provide input on the need for significant new water storage projects.

The Assembly Water, Parks and Wildlife Committee will take up more than a dozen groundwater bills during a Special Order of Business Hearing next week. One of the bills to be heard, [AB 1390](#) (Luis Alejo, D-Watsonville) would make our groundwater rights adjudication system more efficient while working in conjunction with the Sustainable Groundwater Management Act (SGMA). The bill has 16 co-authors from both parties and both houses of the Legislature.

AB 1390 is focused on procedural matters and does not address any substantive principles of water law or local groundwater planning under the SGMA. Key provisions of this measure include:

- Clarifying the court procedures applicable to comprehensive groundwater adjudications in order to reduce the time and improve the efficiency of these actions. This does not mean groundwater adjudications will be fast and simple, but that the process will be more efficient than it is now.
- Encouraging early settlement and avoiding unduly disruption of local groundwater planning efforts.
- Addressing the designation of adjudication actions as complex, phasing of the litigation, efficient identification of groundwater basin boundaries and assistance to the court of a special master, among other changes.
- Improving the process by providing a preliminary hearing to ensure that a comprehensive adjudication of groundwater rights is appropriate, clear rules on proper service of process to all overlying landowners and early disclosures of groundwater use.

Farm Bureau is the sponsor of this measure.

The other groundwater bills to be heard in the Assembly Water, Parks and Wildlife Committee during this special order of business next week include: [AB 452](#), [AB 453](#), [AB 454](#) and [AB 455](#) (Frank Bigelow, R-O'Neals); [AB 617](#) (Henry Perea, D-Fresno); [AB 647](#) (Susan Eggman, D-Stockton); [AB 937](#), [AB 938](#) and [AB 939](#) (Rudy Salas, D-Bakersfield); and AB [1242](#) and AB [1243](#) (Adam Gray, D-Merced). Farm Bureau remains actively engaged in all of these measures and will report in greater detail in the coming weeks on the various measures as they move through the legislative process. Farm Bureau continues to emphasize the need to allow time for successful local/regional management of groundwater basins.

A competing measure to Farm Bureau sponsored AB 1390 (listed above) that would take a different approach to addressing our groundwater rights adjudication system will be heard in the Senate Natural Resources and Water Committee next week. [SB 226](#) (Fran Pavley, D-Agoura Hills) would make additional changes to the Sustainable Groundwater Management Act (SGMA) that currently includes significant groundwater reforms which focus on improving the sustainability and reliability of California's groundwater basins. One of those troublesome changes requires that future adjudication decision avoid undesirable results as identified in SGMA. The bill would also authorize the Department of Water Resources and the Department of Fish and Wildlife to intervene in an adjudication if they claim an interest on behalf of the environment. AB 1390 instead addresses the issue by adding a new chapter to the Code of Civil Procedure, making improvements to the judicial proceedings of comprehensive adjudications of groundwater rights in a basin without altering the law of groundwater rights and without disrupting the SGMA planning process. Farm Bureau opposes SB 226.

A measure that would make well construction reports, including altered, abandoned, or destroyed well reports (well logs) available to the public will be heard next week in the Senate Environmental Quality Committee. [SB 20](#) (Fran Pavley, D-Agoura Hills) was previously approved 7-2 by the Senate Natural Resources and Water Committee in late March. This measure has failed to pass the Legislature and be signed into law by the Governor in previous attempts in recent years. Well logs are already required to be submitted to the Department of

Water Resources and are available to the appropriate public agencies. For example, groundwater management agencies already have access and utilize this information to better manage their groundwater locally. With the passage of the Sustainable Groundwater Management Act (SGMA) last year, this bill is unnecessary and impedes local groundwater management agencies ability to implement the SGMA. Farm Bureau opposes.

The Senate Governance and Finance Committee unanimously approved [SB 250](#) (Ted Gaines, Roseville) that would extend the time period for submitting the fire prevention fee by homeowners in the State Responsibility Area (SRA) from 30 to 60 days. Farm Bureau testified in support of the measure that is sponsored by Board of Equalization member George Runner. Even though we believe that this “fee” is an unconstitutional tax on rural homeowners, a final determination by the courts could be years away. In the meantime, Farm Bureau is supporting measures that provide any administrative relief to this burdensome charge. It should be noted that the current 30-day clock for submitting payment starts when the bill is mailed, not when it is received, and it does not stop until it is received by the state, not when the payment letter is postmarked. There is a 10 percent late charge if the payment is not received within the 30-day time limit. The author noted that many rural homeowners in the SRA are on fixed incomes and the now \$152.33 annual charge can be a significant burden for those with limited financial resources.

The Assembly Public Safety Committee approved [AB 1019](#) (Eduardo Garcia, D-Coachella) that creates a Metal Theft Task Force to provide additional resources to local law enforcement to focus on metal theft. Assembly Member Garcia is continuing the effort that Assembly Members Gray and Nestande began to provide additional resources to local law enforcement to enforce laws to prevent the theft and sale of stolen metal. Farm Bureau is sponsoring AB 1019, which passed out of the committee with a vote of 5-2 and now moves to the Assembly Appropriations Committee.

The Senate Agriculture Committee approved [SB 770](#) (Tony Mendoza, D-Artesia) which ensures that the oversight of medicated feed remains with the California Department of Food and Agriculture (CDFA). The U.S. Food and Drug Administration is in the process of changing the labels for medically important antibiotics provided to livestock through feed or water to require veterinary oversight. This shift could trigger a change in oversight of medicated feed from CDFA to California’s Board of Pharmacy. Farm Bureau supports SB 770, which passed out of the committee 5-0 and now moves to the Senate Floor.

[SB 119](#) (Jerry Hill, D-San Mateo) addresses the integrity of underground infrastructure and the safety of those who operate around and near the infrastructure by establishing mandated requirements for calling and marking prior to contact of the ground with equipment. SB 119 was approved 8-0 by the Senate Business, Professions and Economic Development Committee. This bill is the subject of extensive and ongoing discussions among a broad group of stakeholders, both those who own the infrastructure and those who operate equipment affecting the ground. SB 119 is still in the early stages of development, so CFBF has not taken a position on the bill. CFBF and other agricultural organizations are working with the author’s office and other

stakeholders to identify an alternate approach for agricultural activities to limit the requirements to the types of activities that are currently considered for advance notice. These activities could include orchard planting and, in limited cases, orchard removals; installation of irrigation systems; and ripping, although this activity is much reduced due to regulatory constraints. Such an approach should appropriately be coupled with increased educational efforts. The bill will go next to Governmental Organization Committee on April 14.

[SB 687](#) (Ben Allen, D-Santa Monica) requires adoption of a carbon-based renewable gas standard that requires all gas sellers to provide specified percentages of renewable gas meeting certain deliverability requirements, to retail end-use customers for use in California. Farm Bureau has identified that the mandate could increase costs for natural gas users and would be duplicative of other endeavors related to the electric renewable portfolio standard and planning efforts at the California Air Resources Board. The Senate Energy, Utilities and Communications Committee approved SB 687 on a 7-3 vote. It will be heard next in the Senate Environmental Quality Committee. Farm Bureau opposes.

[AB 916](#) (Patrick O'Donnell, D-Long Beach) provides a one-time allocation of Proposition 98 funding to help restore state funding to Career Tech Student Organizations (CTSOs). The Assembly Education Committee unanimously approved AB 916. There are six CTSOs in the state, with the following current membership:

- Future Farmers of America: 76,415 students.
- FHA-HERO: 4,015 students
- Skills USA: 10,588 students
- Future Business Leaders of America: 7,326.
- Distributive Education Clubs of America: 4,573 students.
- Health Occupations Students of America: 5,229 students

The bill requires this money to be spent to support these youth leadership development programs and activities, to train teachers who advise these student organizations, maintain affiliation with national career technical education organizations, and supply support services necessary to carry out these activities. The measure will be heard next in the Assembly Appropriations Committee. Farm Bureau supports.

[AB 67](#) requires retailers to pay twice an employee's usual rate of pay if the employer requires the employee to work on Thanksgiving or Christmas. The Assembly Labor and Employment Committee approved AB 67 on a 5-2 vote and referred it to the Assembly Appropriations Committee. Farm Bureau opposes.

The Senate Labor & Industrial Relations Committee approved [SB 3](#) minimum wage increase legislation by Sen. Mark Leno (D-San Francisco) on a 4-1 vote. It increases the California minimum wage to \$11 per hour on January 1, 2016; to \$13 per hour on July 1, 2017, and indexes the minimum wage to the rate of inflation on January 1, 2019. This comes on the heels of AB 10, passed by the Legislature in 2013. AB 10 raised the minimum wage to \$9 per hour on July 1,

2014, and to \$10 per hour on January 1, 2016. It now goes to the Senate Appropriation Committee. Farm Bureau opposes.

[AB 561](#) (Nora Campos, D-San Jose) requires an employer to post a bond for the monetary value of any award associated with an order from the Agricultural Labor Relations Board (ALRB) if the employer chooses to appeal the Board's decision. It was approved by the Assembly Labor Committee on a 5-2 vote. AB 561 is intended to ensure workers enjoy the economic benefit of the ALRB's order if the employer does not win the appeal. It would unduly burden an employer's right to appeal a decision of the Board. AB 561 will be heard next in the Assembly Appropriations Committee. Farm Bureau opposes.

[SB 367](#) (Lois Wolk, D-Davis) appropriates \$50 million from the state's Greenhouse Gas Reduction (GHG) Fund to the California Department of Food and Agriculture to support agricultural management practices and activities that reduce GHG emissions and increase carbon storage in soils and woody biomass. It was approved unanimously by the Senate Agriculture Committee. SB 367 will provide the necessary financial assistance to agricultural operations that are willing to take the time and effort to implement management practices that can result in additional irrigation efficiency, water conservation, wildlife habitat conservation and soil carbon sequestration. The projects funded by SB 367 will allow the California Air Resources Board to recognize and attribute these agricultural sector GHG reductions as helping meet their statewide GHG goals. Farm Bureau supports.

[SB 350](#) (Kevin de León, D-Los Angeles) creates the Clean Energy and Pollution Reduction Act of 2015. It would implement new "50-50-50" benchmarks by raising California's renewable portfolio standard (RFS) from 33% to 50%, striving for a 50% reduction in petroleum use and increasing energy efficiency in buildings by 50% by the year 2030. These standards will be permanent, trackable, and enforceable by enacting them into law to ensure they are fully implemented. SB 350 was approved by the Senate Energy, Utilities and Communications Committee on an 8-3 straight partisan vote.

A 50% RPS renewable requirement compared to a 33% target may increase electricity rates by as much as 25% depending on the resource mix of the added generation. In many cases, these costs will be borne by ratepayers who operate businesses that could be forced to reduce costs by cutting jobs. A more holistic approach to meeting electricity demand with renewable resources should be considered, including customer-owned generation.

Ninety-two percent of all California's transportation fuels today are based on petroleum – gasoline and diesel. The remaining 8 percent is made up of biofuels, propane, natural gas and electricity. Californians annually use about 13 billion gallons of gasoline and 3.3 billion gallons of diesel. Cutting petroleum consumption in half in just 15 years means we need to take 8 billion gallons of gasoline and diesel out of our available supplies every year.

Replacing half of California's gasoline supply with ethanol would consume almost half the entire U.S. production. Animal feed prices are tied closely with corn production. If an increased amount of corn goes to ethanol production, feed prices will rise dramatically. SB 350 replaces consumer choice with government mandates and begs the question as to whether there will be

enough alternative fuel and renewable energy to meet California’s large demand. SB 350 will be heard on April 29th in the Senate Environmental Quality Committee. Farm Bureau opposes.

The Transportation Commission has begun holding Road Charge Technical Advisory Committee (TAC) meetings in response to the enactment of [SB 1077](#) (Mark DeSaulnier, D-Concord) on January 1, 2015. SB 1077 requires that the TAC study the road usage charge (better known as a per-mile traveled tax), as an alternative to the gas tax. The TAC is tasked with making recommendations to the CA State Transportation Agency regarding the design and evaluation of a road usage charge pilot program. For more information about the TAC, go to <http://goo.gl/VB017F>

The TAC will be meeting at the following location and time:
April 24, 2015 – Monterey, 10:00 am to 3:30 pm, Hyatt Regency, 1 Old Golf Course Rd. Monterey, CA
Webcast: www.catv.ca.gov

Future meetings are planned to be held as follows:

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| April 24, 2015 – Monterey | September 25, 2015 – Northstate Area |
| May 29, 2015 – Fresno | October 23, 2015 – Bay Area |
| June 26, 2015 – Sacramento Area | November 20, 2015 – Los Angeles |
| July 24, 2015 – Sierra Nevada/Tahoe Area | December 11, 2015 - Riverside |
| August 28, 2015 – San Diego | |

Farm Bureau will be participating on the TAC and is looking for your input on this issue. Contact Andrea Fox at afox@cbbf.com or 916-446-4647.