



March 25, 2011

Governor Brown followed through with his threat to repeal SB 863 when he signed [SB 80](#) into law on Thursday, March 24<sup>th</sup>. SB 80 was a budget trailer bill that dealt with multiple subjects including the deletion of the \$10 million for the Williamson Act subventions for the current budget year and the repeal of the recently enacted provisions allowing counties to adopt 10 percent shorter Williamson Act contracts. This latter programmatic change in the Williamson Act, enacted as an urgency statute on October 19, 2010, was intended to provide counties with an alternative funding source so they would continue to participate in this voluntary land conservation program. Farm Bureau intends to reintroduce the statutory changes to the program as amendments so that the eight counties that have begun to implement the shorter contracts will be able to move forward and other counties can avail themselves to the option. The exact vehicle for the reenactment of SB 863 has yet to be determined, but there are several possible candidates. Getting the program reenacted and signed into law by the governor will certainly be dependent on the passage of the remaining pieces of his budget proposal, including the repeal of the Community Redevelopment Law, the realignment of state and local government services, and allowing the voters to pass judgment on the proposed extension of the February 2009 tax increases.

And speaking of the state budget package, although there were negotiations between the Governor and some Republicans on language that would result in the necessary two-thirds votes for approval of additional pieces of the Governor's plan, the saga continues as no deal has yet been made. Still up in the air is agreement regarding public pension reform, spending caps and regulatory reform as well as other trade-offs in order to get a final package which would include placing various tax extensions on a June ballot for the voters to decide upon. However, time is running out to make that happen so legislative democrats and the Governor are considering other alternatives such as attempting to place the tax extensions on the June ballot with a simple majority vote or collecting signatures to place those measures on the November ballot.

Legislation supported by Farm Bureau, [AB 349](#) (Wesley Chesbro, D-Eureka), passed out of the Assembly on consent, receiving no opposition and no "no" votes. The bill would extend the sunset of the Highway 101 exemption that allows licensed carriers of livestock utilizing semi-trailer combinations, which do not exceed 70 feet in total length and kingpin to rear axle settings of 43 feet instead of the current 40 feet, access to Humboldt, Del Norte and Mendocino counties via Highway 101.

[AB 292](#) (Cathleen Galgiani, D-Tracy) would require the High Speed Rail (HSR) Authority to develop policy to address the preservation of farmland where HSR lines are proposed for construction. The bill also will require the HSR Authority to give consideration for the displacement of water wells, irrigation systems, future crop loss, land devaluations and any other impacts that are brought to the HSR Authority's attention during legislative committee hearings on the HSR. Farm Bureau is in support.

Governor Brown appointed Mark Ferron to the final open position on the California Public Utilities Commission on March 22. He is currently a senior partner at Silicon Valley Social Ventures and is a board fellow of the New Teacher Center. From 2001 to 2009 he worked as chief operating officer for the Global Markets Division of Deutsche Bank in London, where he had responsibility for all operational activities globally across fixed income, currency, commodity and equity markets. Before joining Deutsche Bank, Commissioner Ferron was a vice president at Salomon Brothers from 1994 to 1996, and was a vice president at Bank of America from 1986 to 1994. Commissioner Ferron holds a B.A. in mathematics from the University of Notre Dame and a master's degree in economics from Stanford University

SB 370 (Blakeslee, R-San Luis Obispo) would authorize aggregation of meters for agricultural customer-generators. This bill is the same as AB 51, which Senator Blakeslee carried last year. SB 370 would authorize an agricultural customer-generator with multiple meters to elect to aggregate, or gather together, the electrical load of the meters located on the property where the generation facility is located. This would apply to all property adjacent or contiguous to the property on which the generation facility is located, if those properties are solely owned by the agricultural customer-generator. CFBB supported the bill last year and will be in support this year as well.

SB 489 (Lois Wolk, D-Davis) would expand the reach of net metering to any renewable energy resource as currently defined to open up opportunities for net metering to a variety of projects 1.5 MW and less, including bioenergy and hydroelectric. This bill would revise the definition of an eligible customer-generator to instead require that the generating facility be an eligible renewable energy resource, as defined in the California renewables portfolio standard program. Also, that it have a generating capacity of not more than 1.5 megawatts. SB 489 will provide more options for agriculture and other customers to pursue on-site generation in a streamlined matter. The current processes to compensate customers, beyond wind and solar, for on-site generation through feed-in-tariffs have proven to be complex, time-consuming and cost-prohibitive. CFBB will be working in support of the bill.

The Senate Natural Resources and Water Committee approved SB 588 by Senator Noreen Evans (D-Santa Rosa) that would grant sweeping new power to the California Coastal Commission. Under existing law, alleged violations of the act are adjudicated in Superior Court by an independent third party. Under the proposed change in law, the Coastal Commission, by a majority vote, would become the enforcer, prosecutor, judge, and beneficiary of the civil penalties that could range between \$5,000 and \$50,000 per violations. The commission would also be granted lien authority to take property if the fines are not paid. The bill will next be heard in the Senate Judiciary Committee, a committee chaired by the author. Farm Bureau is opposed to SB 588.

SB 104, Card-Check legislation by Senate Pro tem Darrell Steinberg (D-Sacramento), is awaiting hearing in the Senate. If passed the bill would strip agricultural employees of their right to a secret ballot election to determine if they will be represented by a union. CFBB and numerous California agricultural organizations are opposed to "card check" legislation.

On March 23, the Senate Labor and Industrial Relations Committee rejected legislation to allow flexible workweek scheduling to facilitate alternate commuting times and more flexible work schedules. SB 367 by Senator Bob Dutton (R-Inland Empire) would have permitted employers with 25 or fewer employees to permit individual employees to work alternative workweek schedules with days no longer than 10 hours and a total workweek of 40 hours. SB 367 would have allowed employers and employees to adopt a four-day, ten-hour day schedule without liability for daily overtime. Current law only allows a business to adopt an alternative workweek schedule if the employer recommends it, if 2/3 of the employees vote for it and it imposes daily payment of prescribed overtime compensation for additional hours worked. SB 367, which was supported by employer organizations including CFBB, failed passage on a party-line 2-4 vote.

The Central Valley Regional Water Quality Control Board will consider approval of a Long-Term Irrigated Lands Regulatory Program (ILRP) framework at their April 7<sup>th</sup> meeting. Farm Bureau has heavily invested in developing a Long-Term Irrigated Lands Regulatory Program (ILRP) in the central valley region for the past two and a half years, working with board staff, farmer and landowner water quality coalition leaders, Western Growers and others. Farm Bureau has provided comments outlining our concerns with staff's proposed framework. The notice of public hearings and the Long-Term ILRP framework are available online at:  
[http://www.waterboards.ca.gov/centralvalley/water\\_issues/irrigated\\_lands/long\\_term\\_program\\_development/](http://www.waterboards.ca.gov/centralvalley/water_issues/irrigated_lands/long_term_program_development/)

The Department of Water Resources is finalizing emergency regulations for water measurement requirements for agricultural water suppliers. The department convened an Agricultural Stakeholders Committee in 2010 and conducted numerous meetings over the past year to develop and adopt emergency regulations in accordance with [SBx7 7](#) (Darrel Steinberg, D-Sacramento). Farm Bureau has actively participated in the meetings and argued against attempts by the environmental community and DWR to redefine the legislative intent of the bill. Of particular concern is the insistence that volumetric pricing must be implemented in all water districts, and requirements to install and implement costly water measurement systems at the point of delivery to farmers, that are not locally cost effective. Volumetric pricing provisions were negotiated out of the legislation in 2009 and the locally cost effective standard was amended into the legislation. The draft regulations are being finalized now and will be placed on the California Water Commission May 18<sup>th</sup> agenda for a recommendation to the Director of the Department of Water Resources. Farm Bureau will advocate against these unrealistic and costly measures before the California Water Commission in May.

AB 359 (Jared Huffman, D-San Rafael) would require local agencies to identify groundwater recharge areas, provide protections for those areas and require the maps be provided to local planning agencies. The measure passed out of the Assembly Water, Parks and Wildlife Committee March 22<sup>nd</sup> with 7 committee members voting aye and 6 abstaining or not voting. Farm Bureau continues to work with the sponsor and the author to require direct property owner notification, but the current draft still does not meet that test. The bill will next be heard in the Assembly Local Government Committee, no date has been set. Farm Bureau is opposed unless amended.

SB 34 (Joe Simitian, D-Palo Alto) would develop a fee-based system to pay for costs associated with public benefit water infrastructure projects, including the public share of surface and subsurface water projects and habitat. The measure was substantially amended this week, imposing an annual public good charge of \$110 per acre foot on nonagricultural retail water suppliers and a \$20 per acre of land irrigated charge on agricultural retail water suppliers, or \$10 public good charge per acre of land irrigated when the Department of Water Resources determines best management practices are utilized for a particular crop and soil type. 50 percent of the fees would finance regional projects consistent with regional water management plans and 50 percent would fund California Water Commission programs, the operation of the Delta Stewardship Council and the Delta Plan. The measure will require a two thirds majority vote of each house of the Legislature. The measure has not yet been scheduled for hearing. Farm Bureau will take a position soon.