



July 7, 2017

Despite the mid-week holiday, there was significant legislative activity this week as follows:

### **Cap and Trade/Air Quality:**

We have reported previously on legislation to authorize the extension of the cap and trade component of the state's greenhouse gas (GHG) program. In early June [AB 378](#) (Christina Garcia, D- Bell Gardens) was defeated. That measure was opposed by business and agricultural organizations including Farm Bureau because that bill would not have been workable for business or the agricultural community including agricultural processors. Environmental groups favored the Garcia legislation and they favor a more costly command and control system in dealing with greenhouse gases.

During the past month, interested parties have been working on a renewed attempt to pass cap and trade legislation that will provide protection for food processors and will be workable for the energy and fuel sectors of the California economy. Legislative leaders and the Governor's office have now packaged cap and trade legislation with an air monitoring and emissions reduction measure that is problematic for Farm Bureau, the agricultural industry and the larger business community. Those two legislative proposals were presented to interested stakeholders on Monday afternoon and then meetings were held in the Governor's office throughout the day Tuesday to get input from the various sectors. An agricultural coalition including Farm Bureau was invited to share our thoughts on the two bills and we did so during our meeting in the Governor's office. (NOTE: legislative vehicles in which to place these two proposals have not yet been identified so there are no bill numbers at this time).

Although there have been various versions of a proposed cap and trade bill and of the accompanying Air Quality/Monitoring bill in the last several weeks, the two bills presented on Monday created greater concerns than the previous versions of the legislation we reviewed. In addition to expressing our concerns about certain provisions in the cap and trade and air quality bills our agricultural coalition also made our case for providing funding incentives to agriculture including funding for dairies, food processors and others in agriculture in order for us to be in support of a cap and trade package.

On Tuesday we were told we would likely receive new bill language later that day in response to various concerns raised by stakeholder groups, but the language did not materialize as indicated and at this juncture we are still waiting for new language to be offered up by the administration and legislative leaders in the two houses. In the meantime, we continue to visit with legislators and their staffs to reiterate our concerns with the July 3 language and to advocate for incentive funding for agriculture.

Originally, we were told that the target date for voting on the measures would be next Monday, but at this point we are uncertain if that will happen. Once language comes out, we will analyze that along with our

partners in the business community and decide how to position on the measures. We will provide an update in next week's Friday Review.

### **Commodities:**

[AB 822](#) (Anna Caballero, D-Salinas) would require state agencies and institutions to purchase California grown agricultural products so long as the price is no more than five percent higher than outside products. School districts would be required to purchase California grown products so long as they didn't cost any more than outside products. California farmers have significantly higher costs of production due to California's stringent regulations and our state should support our farmers and farm employees by purchasing products from farmers meeting those high regulatory standards. Farm Bureau is sponsoring AB 822, which passed out of the Senate Agriculture Committee with a 4-0 vote.

### **Transportation:**

[SB 158](#) (Bill Monning, D-Carmel) is a measure that provides that an individual shall not be issued a commercial driver's license until he or she has passed a written and driving test that complies with both the minimum federal standards and additional requirements established by this bill. Those additional requirements would include new entry level requirements for drivers to be determined by the Department of Motor Vehicles (DMV) as well as new behind the wheel training requirements.

Under the provisions of the bill in order to obtain a Class A commercial driver's license (CDL) one would have to have a minimum of 30 hours of behind-the-wheel (BTW) training, including at least 10 hours on an off-highway facility and 10 hours on a public road. For a Class B license the requirement would be to have a minimum of 15 hours of BTW training, including at least seven hours on a public road.

Farm Bureau has been opposing this measure and working in concert with the California Cattlemen's Association (CCA) to seek amendments to the bill to exempt agriculture from the new training provisions since the new federal rules include an agricultural exemption for agriculture under certain conditions. We have been informed this week that the bill will be amended to provide an agricultural exemption until January 1, 2024. During that time a stakeholder group including CCA, Farm Bureau, related agencies and others will work on developing recommendations regarding driver training issues in the agricultural sector as well as other agricultural transportation issues. The exemption for agriculture includes farmers, their employees and family members driving vehicles used to transport agricultural products, farm machinery, farm supplies to or from farms as long as the carriage is not for-hire and the carriage is within 150 air miles of the farmer's farm. With these amendments, Farm Bureau is now in support of the bill. It will be heard in the Assembly Transportation Committee on Monday, July 10.

### **Water:**

[AB 313](#) (Adam Gray, D-Merced) would establish a division of water rights within the Office of Administrative Hearings (OAH). Complaints against persons violating provisions of their water diversions would be heard by an administrative law judge in OAH, however decisions would not be final until accepted by the State Water Resources Control Board. The measure was amended this week removing the State Water Board's executive director as having final decision authority and placing that authority with the State Water Board itself. AB 313 will be heard in the Senate Judiciary Committee next week. Farm Bureau supports.

[AB 589](#) (Frank Bigelow, R-O'Neals) would authorize those who divert more than 100 acre feet of water per year to certify their water measuring devices are installed and operating properly if they take a course taught by the University of California Cooperative Extension. Current law requires those individuals to have devices installed and certified by an engineer, contractor, or license professional at considerable cost. The measure will be heard next week in the Senate Natural Resources and Water Committee. Farm Bureau supports.

[AB 1420](#) (Cecilia Aguiar-Curry, D-Winters) would streamline the State Water Resources Control Board permitting process for farmers applying to divert water into a small irrigation pond. The measure would require the State Water Board to give priority to adopting general conditions for water diversions to small irrigation ponds during periods of high streamflow in exchange for reduced diversions during periods of low streamflow. Additionally, AB 1420 exempts registrations from the lake or streambed alteration program if the Department of Fish and Wildlife has provided conditions on the approved registration. The measure passed out of the Senate Natural Resources and Water Committee on consent last week and is scheduled for the Senate Appropriations Committee next week. Farm Bureau supports.

[AB 1667](#) (Laura Friedman, D-Glendale) would increase agricultural water management planning requirements beyond those imposed last year by the Governor's Executive Order B-37-16. The measure was amended before passing out of the Assembly, to address significant concerns raised by a large agricultural coalition, thus removing opposition. The measure will be heard next week in the Senate Natural Resources and Water Committee. Farm Bureau removed opposition, but will closely monitor the measure in the Senate for amendments that could be problematic for agriculture.

[SB 252](#) (Bill Dodd, D-Napa) would require new water well permit applicants in critically overdrafted groundwater basins to provide their application information to neighbors. It would require cities and counties overlying critically over drafted basins to publicly notice new well permit applications and require these cities and counties to make specific new well permit information available to groundwater sustainability agencies. The measure was amended last week to remove a section that would have changed California water law with regard to well interference actions. Farm Bureau and other agricultural organizations remain opposed to the measure and are working with the author and the Assembly Local Government Committee to address remaining concerns that the measure interferes with SGMA local control and public notification requirements.

[SB 623](#) (Bill Monning, D-Carmel) would establish the Safe and Affordable Drinking Water Fund and insure that monies in the fund are continuously appropriated to the State Water Resources Control Board to provide water to those whose drinking water exceeds the drinking water standard. The measure was amended last week identifying agricultural operations as a funding source for the Safe and Affordable Drinking Water Fund to assist in providing emergency, interim, and long-term assistance to community water systems and individual domestic well users whose wells have been impacted by nitrate contamination and whose wells are located in agricultural areas. Additionally, the measure would require the State Water Resources Control Board to promulgate regulations requiring individual domestic well owners to test their water supply wells for contamination. The measure will be heard in the Assembly Environmental Safety and Toxic Materials Committee next week. Farm Bureau has concerns regarding requirements on individual domestic well owners and the lack of a comprehensive funding solution.