



# The Cotton Chronicle

1785 N. Fine Avenue, Fresno, CA 93727 • Telephone: (559) 252-0684 • Fax: (559) 252-0551

www.ccgga.org

September 2014

Volume 25, Issue 9

## Industry Calendar

September 11  
Grower Board Mtg —  
Fresno

September 17  
Ginner Board Mtg —  
Fresno

(Visit web calendar  
for details)

## CCGGA Staff

Roger A. Isom  
President/CEO  
roger@ccgga.org

Aimee Brooks  
Director of Regulatory  
Affairs  
aimee@ccgga.org

Christopher McGlothlin  
Director of Technical  
Services  
chris@ccgga.org

Shana Colby  
Administrative Assistant  
shana@ccgga.org

### CCGGA Speaks Out on PG&E Gas Rate Increase

PG&E has proposed to increase its revenue requirement for natural gas over the next three years by over \$2 billion! CCGGA President/CEO Roger Isom (shown in picture) testified in oppo-



sition at a recent public hearing on the case before the Public Utilities Commission. These rate increases are proposed in the 2015 PG&E Gas Transmission and Storage Case (GT&S). PG&E contends this huge increase is necessary for PG&E to carry out all of the necessary pipeline enhancements and replacements in wake of the San Bruno explosions. Ratepayers are being asked to cover more than 75% of the cost with the remaining burden to be picked up by shareholders. The plan would increase rates as follows:

- 2015: \$572 million (80% increase over 2014)
- 2016: \$61 million additional (4.7% increase)
- 2017: \$168 million additional (12.5% increase)
- Cumulative total = \$2.006 billion increase!

CCGGA joined the California League of Food Processors as the only ag organizations testifying in opposition to the proposed rate increase

which would be devastating to cotton gins, walnut huller/dehydrators, pistachio plants, almond roasters and other processing plants that utilize significant amounts of natural gas. CCGGA will be working with the Ag Energy Consumers Association (AECA) to submit formal comments in the proceeding.

### CCGGA to Oppose Changes to Heat Illness Standard

On September 25<sup>th</sup>, the CalOSHA Standards Board will consider adopting revisions to Section 3395—Heat Illness Prevention. Included in those revisions are the following critical changes:

- Require access to water within 400 feet
- Require shade to cover 100% of all employees at the worksite
- Require access to this shade within 700 feet
- Require a minimum 10 minute break for every two hours work when temperatures exceed 95 degrees for two consecutive hours

There are other minor changes, but these are the ones causing the most concern. CCGGA will be in attendance opposing all of the proposed changes, basing our position on the fact that CalOSHA has failed to provide any evidence the changes are necessary. In fact, the only reason CalOSHA is proposing the changes is an attempt to settle a lawsuit by the UFW. The revisions reflect comments made by the UFW and CRLA in workshops over the past year where CalOSHA has proposed similar and



Welcome New Associate Member!  
**ORO Agri, Inc.**

even more far reaching revisions. Interestingly, CalOSHA has scheduled the hearing for San Diego, making it as difficult as possible for ag representatives and those most affected by the changes to be in attendance. Coincidence? I think not!

### **Legislature Passes Landmark Groundwater Legislation**

This past month the California State Legislature passed three bills that will govern groundwater in California beginning in 2015. The broad sweeping legislation was passed without a true public hearing on the final language as significant amendments were placed into the bill all the way up until the final night before the legislature voted to pass the legislation. All without a hearing. This legislation will set forth the framework for the governance of groundwater pumping, including limitations, restrictions, fees and enforcement. While it encourages and allows for local control, when that does not work, the state will step in and take over. Some of the key provisions in this bill would:

- This bill requires adoption of a sustainable groundwater sustainability plan (GSP) by January 31, 2020, for all high or medium priority basins that are subject to critical conditions of overdraft and by January 31, 2022, for all other high and medium priority basins unless the basin is legally adjudicated or the local agency establishes it is otherwise being sustainably managed.
- Empowers local groundwater agencies to sustainably manage groundwater basins through the development of GSPs.
- Specifies that groundwater basins are those identified by the DWR in Bulletin No. 118, as it may be amended, and includes subbasins.
- Requires DWR, by January 31, 2015, to prioritize each basin as either a high, medium, low, or very low priority using factors under the California Statewide Groundwater Elevation Monitoring (CASGEM) program that include, but are not limited to: population, extent of public wells; overlying irrigated acreage; reliance on groundwater; any documented impacts upon the basin from overdraft, subsidence, saline intrusion and other water quality degradation; or any other information determined to be relevant by the department, including adverse impacts on local habitat and local stream flows.
- Requires that high and medium priority basins be sustainably managed through a GSP but excepts:
  - o Basins, or portions of basins, that were subject to a groundwater adjudication; and
  - o Basins that a local agency can demonstrate are already being sustainably managed.
- Encourages low and very low priority basins to manage through a GSP but, should they voluntarily choose to do so, exempts them from any State compliance actions.
- Allows any local agency or combination of agencies to establish a groundwater sustainability agency (GSA) for the purpose of developing and implementing a GSP. Allows water corporations regulated by the Public Utilities Commission to participate in a GSA if the local agencies forming the GSA approve.
- Recognizes and lists special districts that were created in legislation for the purpose of managing groundwater and makes those districts the exclusive entities within their boundaries with authority to comply with the Act, unless they choose to opt out.
- Allows a city or county to be the GSA or, in the case of an area where no local agency has assumed management, presumes the county to be the GSA unless the county opts out. If the county opts out and there is no other local agency, requires reporting of groundwater extractions directly to the State Water Board.
- Provides for public involvement in the development of GSPs and sets forth a diverse set of interests that should be considered by the GSA during that process including an entity within the basin that is currently a CASGEM monitoring entity.
- Empowers GSAs to collect information regarding the condition of the basin and then develop and implement a GSP using, as the GSA chooses, powers and authorities provided under the Act including, but not limited to:
  - o Acquiring land and water to carry out the plan, including but not limited to spreading, storing, retaining, percolating, transporting, or reclaiming water to recharge the basin or provide water supplies in-lieu of groundwater;
  - o Monitoring for compliance and limiting extractions; and
  - o Proposing, collecting, updating and enforcing fees, consistent with all statutory and Constitutional requirements.
- Specifies that nothing in the Act or in any GSA adopted pursuant to the Act determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights.
- Requires, by June 1, 2016, that DWR develop reg's regarding:
  - o GSP components;
  - o Coordination of multiple GSPs for a basin; and
  - o Alternative compliance, including submitting an existing plan as a functional equivalent of a GSP or submitting an analysis of basin conditions that demonstrates the basin is being sustainably managed.
- Specifies, in those areas that require a GSP to be completed, adopted, and submitted to DWR that the deadlines are:
  - o January 31, 2020, in high and medium priority basins that are subject to critical conditions of overdraft; and
  - o January 31, 2022 for all other high and medium priority basins.
- Exempts the preparation and adoption of a GSP from the California Environmental Quality Act but does not exempt a project or action to implement the GSP.
- Requires GSPs to meet certain standards including:
  - o Encompassing an entire basin or subbasin; and
  - o Being designed to achieve sustainable groundwater management within 20 years of adoption with progress reports to DWR and the State Water Board every five years.
- Requires a GSA to annually report to DWR its groundwater elevation data, aggregated extraction data, use or availability of surface water for recharge or in-lieu supplies, total water use, and change in groundwater storage.

The bill now heads to the Governor's Desk where he is fully

expected to sign it. The Association's **President/CEO Roger Isom and Director of Regulatory Affairs Aimee Brooks** spent the last week of the session at the Capital in Sacramento working against the bill, but in the end politics won out, as the bill was passed by the legislature on the final night of the session. All this without a policy hearing...

### **State Lawmakers Pass New Water Bond**

After months of discussions and several days of very intense negotiations, the **Water Quality, Supply, And Infrastructure Improvement Act Of 2014 (Water Bond)** was signed by the Governor on the evening of August 13<sup>th</sup>. This is one of the most important pieces of legislation to be signed into law in California in a long time, especially in the midst of one of the most intense droughts this state has ever experienced. The new water bond will be Proposition 1 on the November ballot and contains \$7.55 billion to improve the water quality, supply and infrastructure in this state. More specifically, the water bond provides the following monies:

- **\$520 million for clean, safe and reliable drinking water**
  - o \$260 million to the State Water Pollution Control Revolving Fund Small Community Grant Fund
  - o \$260 million to public water system infrastructure improvement
- **\$1.495 billion for protecting rivers, lakes, streams, coastal waters and watersheds**
  - o \$327.5 million for multi-benefit water quality, water supply and watershed protection and restoration
  - o \$200 million for enhanced stream flows
  - o \$100 million to protect and enhance an urban creek
  - o \$475 million to fulfill obligations for CVPIA, interstate compacts, intrastate or multi-party water quantification settlements agreements, fish and game code settlements, or other agreements
  - o \$285 million for watershed restoration by Dept. of Fish and Wildlife
  - o \$87.5 million for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta
  - o \$20 million for competitive program for a competitive program to fund multi-benefit watershed and urban rivers enhancement projects in urban watersheds
- **\$810 million for regional water security, climate and drought preparedness**
  - o \$510 million to hydrologic regions identified in California Water Plan
  - o \$100 million for water conservation water-use efficiency plans, projects and programs
  - o \$200 million for multi-benefit stormwater management projects
- **\$2.7 billion for statewide water system operational improvement and drought preparedness consisting of the following:**
  - o Water Storage Projects

**Association President/CEO Roger Isom** spent several days

in Sacramento working the halls seeking the most money possible for a water bond this state sorely needs. In particular, the effort focused on getting as much funding for storage as possible, hopefully \$3 billion. This \$3 billion figure was contained in the original bond, but the Governor had only committed to \$2 billion. In the midst of the negotiations, several groups came out in favor of \$2.5 billion, but the Associations (CCGGA & WAPA) along with **California Citrus Mutual, the California Fresh Fruit Association, California Dairies Inc., Nisei Farmers League** held fast and due to these groups and only these groups, it was eventually increased to \$2.7 billion! In addition, AB 739 was introduced separately to provide an avenue for funding of a "cross valley connector" canal to help the entire water system. This too was an effort of these ag organizations. This was a tremendous effort to get to \$2.7 billion, and several Central Valley legislators deserve credit for holding strong including **Assemblywoman Connie Conway, Assemblyman Rudy Salas, Assemblyman Henry T. Perea, Assemblyman Adam Gray, Assemblywoman Kristen Olsen, Assemblyman Jim Patterson, Senator Andy Vidak, Senator Jean Fuller, Senator Tom Berryhill, Senator Anthony Cannella, and Senator Jim Nielsen**. It truly was a bipartisan valleywide effort to try and secure as much funding for water as we could possibly get. Now the effort to secure passage by voters in November begins...

### **Water Bond Press Conference**

On Wednesday, August 6<sup>th</sup>, Valley representatives and industry leaders including CCGGA's **Christopher McGlothlin** assembled on the steps of Fresno City Hall, and delivered their support for a water bond that would deliver \$3 billion dollars in relief to the state. A letter signed by agricultural industry leaders, Valley leaders, business owners, public agencies as well as elected officials provided a detailed layout of funds needed for projects that would greatly alleviate water issues within the state, and was on display. Both **Western Agricultural Processors Association** and the **California Cotton Ginners and Growers Association** have signed the letter, showing their support for adequate funding for future water project development. Two weeks ago, CCGGA and WAPA hosted a discussion between many Ag representatives and legislators, which focused on the



**California Cotton Ginners and Growers Associations**  
**1785 N. Fine Avenue**  
**Fresno, CA 93727**

PRESORTED STANDARD  
US POSTAGE PAID  
FRESNO, CA  
PERMIT NO. 2509

## Newsletter Sponsor: **ORO Agri, Inc.**

correct amount of funding necessary for effective water storage restoration. The primary allocation of funds in the proposed bond would provide funds for new surface water storage with continuous appropriation for further maintenance and development.

### **SJV hits limit on VOCs, restrictions coming: 2015, 2016!**

The Association recently received a notice from CDPR regarding their 2013 calculations for the pesticide VOC emission inventory in the San Joaquin valley. The report concluded that emissions are projected to be above the allowable 17.2 tons/day and further restrictions in the regulations will now come into effect. The CDPR's rule titled, *Volatile Organic Compound Emissions from Pesticides: Nonfumigant Regulations* measures pesticide VOCs (volatile organic compounds) in the San Joaquin Valley. Under the federal Clean Air Act, California's State Implementation Plan (SIP) requires a 12% reduction of VOCs in the San Joaquin Valley. To meet the federal clean air act standards for VOCs, CDPR adopted regulations in 2013 for non-fumigant pesticides containing the active ingredients: chlorpyrifos, gibberellins, abamectin, and oxyfluorfen as high VOC products and subject to a new regulation. CDPR further specified which crops would be included in the new regulations, which include alfalfa, almonds, citrus, cotton, grapes, pistachios, and walnuts. The regulations come with strict requirements for growers, pest

control advisors (PCAs), and even include restrictions on sales and use—even when the pesticide VOC emissions are under the specified threshold. For example, growers wishing to use high VOC products in the San Joaquin Valley during the May 1 – October 31 time frame must obtain a recommendation from a PCA, and the PCA must first recommend low VOC formulations of a product when feasible. Contingent with these regulations, CDPR has set a limit for VOC emissions from non-fumigant pesticide use and tracks the inventory through the peak ozone season (May-October). If the trigger limit of 17.2 tons per day is surpassed, further restrictions come into play. A report released by CDPR in late August confirmed that VOC emissions in the San Joaquin Valley exceeded their trigger limit and their threshold limit of 18.1 tons per day. Measurements of the emissions are based off the previous year's PUR data among other sources and according to 2013 data, emissions in the valley reached 18.2 tons per day. In the recently released memorandum from CDPR, they conclude that the final inventory may change slightly, but it is **highly likely that designated high VOC products for 2015 AND 2016 will be prohibited during the May 1-October 31 timeframe, on the previously specified crops will be prohibited!** Few Exemptions exist, and one such exemption is for the use of High VOC Chlorpyrifos for use on late season aphid.