



**FRESNO CHAMBER OF COMMERCE  
GOVERNMENT AFFAIRS COUNCIL**

**MEETING AGENDA  
Wednesday, March 12, 2014  
12:00 p.m.**

**PRESIDING  
Ruth Evans, Chair  
Brian Domingos, Vice Chair**

**Call to Order and Roll Call**

**Approval of February 12, 2013 Minutes**

**New Business**

1. Assemblyman Henry T. Perea – AB 2686 Reliable Water Supply **ACTION**
2. Supervisor Judy Case-McNairy **INFORMATION**
3. Legislative Report **ACTION**
  - A. S 2016 (Feinstein) California Emergency Drought Relief Act – **CONFERENCE CALL**
  - B. AB 1522 (Gonzalez) Paid Sick Days
  - C. AB 1723 (Nazarian) Employee Wages
  - D. AB 2095 (Wagner) Employee Compensation
  - E. AB 2688 (Brown) Employment Violations Good Faith Defense
  - F. AB 1634 (Skinner) Occupational Safety and Health Violations
  - G. AB 1693 (Perea) Telephone Rates
  - H. AB 1717 (Perea) Prepaid Mobile Services
  - I. SB 927 (Cannella/Vidak) Water Bond
  - J. HR 3964 (Valadao) Emergency Water Delivery Act
  - K. HR 4039 (Costa) Drought Relief Act
  - L. HR 4125, 4126, 4127 (Costa) Water Storage

**Chair's Report**

- Upcoming Chamber Events **INFORMATION**
  - *Eggs and Issues with Mayor Ashley Swearengin Friday, April 4<sup>th</sup> at 7:30am*

**Adjourn**



**FRESNO CHAMBER OF COMMERCE  
GOVERNMENT AFFAIRS COUNCIL  
MEETING MINUTES**

**Presiding:  
Ruth Evans, Chair  
Brian Domingos, Vice Chair**

Committee: Government Affairs Council  
Chairperson: Ruth Evans  
Vice-Chair: Brian Domingos  
Meeting Date/Time: February 12, 2014  
Meeting Place: Fresno Chamber of Commerce  
Committee attendees: Nick Amendola, Bill Avakian, Ruth Evans, Austin Ewell, Larry Fortune, Jack Hall, Debbie Hunsaker, Ryan Jacobsen, Scott Miller, Brian Domingos, Lorraine Salazar, Al Smith, John Taylor  
Committee absences: Cam Maloy, Walt Plachta, Victoria Salisch, Lydia Zabrycki,  
Staff: Anna Borgeas

**CALL TO ORDER**

- Ms. Evans called the meeting to order at 12:20pm.

**1. Approval of Minutes**

Mr. Smith moved to approve the January 8<sup>th</sup> meeting minutes. The motion was seconded by Ms. Hunsaker. The motion passed unanimously

**2. Asset Management Act**

Council Member Lee Brand presented the Asset Management Act to the council for approval. Based on information provided, the Act would be a 3-year, no cost contract with a property management firm that would collate all city owned properties. The contracting agency would only get paid with some transaction was made (promotion/ads sign space leased, building lease, property sale). Mr. Brand estimates that the City may be able to financial benefit, \$500,000 – \$1,000,000, from a professionally managed asset portfolio. The City Council is set to vote on the Act on February 27<sup>th</sup>; if passed, the next step would be to draft and release a Request for Qualification.

*Mr. Ewell made a motion to approve the Asset Management Act; Mr. Domingos seconded the motion. The motion passed unanimously.*

**3. Legislative Report**

SB 935 Sen Mark Leno (SF-D) introduced a bill to raise the state minimum wage to \$11 per hour in 2015, \$12 per hour in 2016 and \$13 per hour in 2017. Beginning in 2018 the state minimum wage would be adjusted annually with the rate of inflation.

*Mr. Domingos made a motion to oppose the bill; Ms. Hunsaker seconded the motion. The motion passed unanimously.*

**4. Chair's Report**

Ms. Evans gave an update on upcoming Chamber events.

Meeting was adjourned at 12:45p.m.

**ACTION**

**AGENDA ITEM 1**

Government Affairs Council

March 12, 2014

**AB 2686 (Perea, Gray, Salas): Clean, Safe, and Reliable Water Supply Act**

**Source**

Assemblyman Henry Perea

**Summary**

Would reduce the Water Bond on the November ballot from \$11 billion to \$9.25 billion dollars. Funding would breakdown as follows:

\$1 billion - Clean and Safe Drinking Water

\$1.5 billion - Protecting Rivers, Lakes, Streams, Coastal Waters & Watersheds

\$1.5 billion - Regional Water Management for Climate Change

\$2.25 billion - Delta Sustainability

\$3 billion - Water Storage for Climate Change.

**Background**

The Water Bond has been pushed back since 2009 because of its high cost. This version reduces the bond by about \$2 billion and may have more of a chance to pass because of the extreme drought conditions California has experienced in the last couple of years. The biggest difference between this bill and the one authored by Senators Cannella and Vidak is the preservation of money for projects. \$1.5 billion dollars is available for conservancy projects to the groups that bid on the money. It was introduced Feb. 21st.

**Staff Recommendation**

Discussion

**ACTION**

**AGENDA ITEM A**

Government Affairs Council

March 12, 2014

**S 2016 (Feinstein): California Emergency Drought Relief Act**

## Sources

Senator Dianne Feinstein

## Summary

Would provide maximum water supply for California during the drought emergency by pumping water from the Delta (while still keeping with Endangered Species Act), opening Delta Cross Channel Gates for as long as possible, maintain a 1:1 “inflow-to-export ratio” for San Joaquin River flows and make rescheduled water available to contractors. It would also provide emergency funding to build temporary gates and barriers for fish protection. Extends water deliveries from Feb 28 to April 15, 2014 of unused 2013 water supply. Provides \$100 million in emergency funding for water supply projects like groundwater wells, conservation technology and WATERSMART grants.

## Background

Several members of Congress have introduced drought relief legislation. This one from Senator Dianne Feinstein focuses on addressing immediate concerns this year. S 2016 was introduced on Feb. 11th and sent to the Committee on Energy and Natural Resources.

## Staff Recommendation

Discussion

**ACTION**

**AGENDA ITEM B**

Government Affairs Council

March 12, 2014

## **AB 1522 (Gonzalez): Paid Sick Days**

## Sources

California Restaurant Association

California Legislative Information

Cal Chamber

## Summary

Would provide an employee who works in California for seven or more days in a calendar year to be entitled to paid sick days. Sick days would be accrued at a rate of no less than one hour for every 30 hours worked. An employee would be able to use accrued sick days beginning on the 90th calendar day of employment. The bill would require employers to provide paid sick days for diagnosis, care, or treatment of health conditions of the employee or family member, and leave related to domestic violence or sexual assault. An employer may limit the number of paid sick days to three per year.

## Background

AB 1522 would amend Section 226 of the Labor Code. Its goal is to reduce the impact that illnesses have on the state's working families as well as the health and safety of all employees in the workplace. Giving employees paid time off could reduce health care costs by allowing them to see a primary care physician for treatment first, instead of waiting and ending up in the emergency room. Every employee would be eligible for sick time, including part time workers. Employers would have to keep track of hours worked

and sick time accrual, which would be stated on pay stubs. Employers who fail to comply are subject to up to \$4,000 in penalty fines. The business community is against this bill because it's a mandate, instead of incentivizing employers to offer sick time. AB1522 was introduced Jan. 16<sup>th</sup> and has been referred to Committee on Labor and Employment. The hearing date is March 19<sup>th</sup>.

**Staff Recommendation**

Oppose

**ACTION**

**AGENDA ITEM C**

Government Affairs Council

March 12, 2014

**AB 1723 (Nazarian): Employee Wages**

**Sources**

California Restaurant Association

California Legislative Information

**Summary**

Would *expand* penalties to an employer for paying less than the minimum wage. It would include penalty, restitution, and liquidated damages provision for a citation to also subject the employer to payment of any applicable penalties for the willful failure to timely pay wages of a resigned or discharged employee. For the first violation intentionally committed, the employer would pay \$100 per pay period, per employee plus the balance of underpaid wages, liquidated damages and applicable penalties. For any subsequent violation, the fine goes up to \$250 per pay period, per employee.

**Background**

Existing law authorizes the Labor Commissioner to investigate and enforce statutes and orders of the Industrial Welfare Commission that, among other things, specify the requirements for the payment of wages by employers. Existing law provides for criminal and civil penalties for violations of statutes and orders of the commission regarding payment of wages. Existing law authorizes the Labor Commissioner to recover liquidated damages for an employee who brings a complaint alleging payment of less than the minimum wage fixed by an order of the commission or by statute. Existing law subjects any employer, who pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission to a citation that includes a civil penalty, the payment of restitution of wages, and payment of liquidated damages to the employee. Existing law also provides for a penalty imposed upon an employer for the willful failure to timely pay wages of an employee who resigns or is discharged. AB 1793 was introduced on Feb. 14<sup>th</sup>, 2014. It went to the Committee on Labor and Employment and may be heard on March 20<sup>th</sup>.

**Staff Recommendation**

Oppose

**ACTION**

**AGENDA ITEM D**

Government Affairs Council

**AB 2095 (Wagner) Employee Compensation: Itemized Statements**

**Sources**

California Legislative Information

Cal Chamber

**Summary**

Would allow employers to be awarded attorney fees and costs if an employee's action for injunctive relief is found to be in bad faith. Prohibits an employee from receiving an award of costs and reasonable attorney's fees if the employer is the prevailing party.

**Background**

This would amend Section 226 of the Labor Code, relating to employment. Employers are currently required to give each employee an accurate itemized statement, in writing, showing specified information at each pay period. If an employee wants to inspect or have a copy their employment records and the employer doesn't comply, the employee can bring an action for injunctive relief to ensure compliance. The employee is also entitled to an award of costs and reasonable attorney's fees. This bill seeks to limit frivolous litigation regarding itemized wage statements for alleged technical violations that have not injured the employee. AB 2095 was introduced on Feb. 20<sup>th</sup>. It's now in Committee on Labor and Employment and may be heard March 23<sup>rd</sup>.

**Staff Recommendation**

Support

**ACTION**

**AGENDA ITEM E**

Government Affairs Council

March 12, 2014

**AB 2688 (Brown) Employment Violations Good Faith Defense**

**Sources**

Cal Chamber

**Summary**

Would prevent an employer from being financially penalized through the assessment of statutory civil and criminal penalties, fines, and interest if the employer relies in good faith on written advice from the Department of Labor Standards and Enforcement and a court ultimately determines the DLSE's advice was wrong.

**Background**

The DLSE is a state agency that is charged with enforcing the wage, hour, and working condition labor laws. As a part of its effort to fulfill this responsibility, the DLSE issues opinion letters on various wage, hour, and working condition topics, as well as an enforcement manual that sets forth the DLSE's

interpretation and position on these issues. Currently, employers are encouraged to refer to the DLSE's written materials for "guidance" on these topics when there is no published, on-point case available. However, employers are provided with no certainty that they will be shielded from liability if they comply in good faith with the DLSE's written opinions or interpretations. **AB 2688** is a job creator. It prevents any employer who relies in good faith upon the written advice of the Division of Labor Standards Enforcement (DLSE) regarding how to comply with the law from being punished through the assessment of civil and criminal penalties, fines, and interest.

### **Staff Recommendation**

Support

**ACTION**

**AGENDA ITEM F**

Government Affairs Council

March 12, 2014

<b>AB 1634 (Skinner) Occupational Health and Safety Violations</b>
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### **Sources**

Cal Chamber

### **Summary**

Requires employers to abate safety hazards for which they have been cited, prior to resolution of the appeal. If an employer exercises its right to contest the existence of a violation, Cal/OSHA could order the employer to fix the alleged condition before the appeals board has determined whether a violation exists.

### **Background**

The requirements for abatement are already grounds for appealing a citation issued by Cal/OSHA. Moreover, Cal/OSHA has authority to issue an Order Prohibiting Use where it concludes a condition, process or piece of machinery poses an imminent hazard to employee safety. Requiring employers to specifically contest an abatement where it would otherwise be stayed creates two separate appeals where currently there is one. The creation of a new ground for appeal concerning abatement is not needed and will place an unnecessary burden on Cal/OSHA, the Appeals Board, employers, and other parties.

While current law provides for a stay of abatement for issues on appeal, in response to concerns about serious hazards to which employees could be exposed while a citation is on appeal, the Appeals Board adopted a regulation to expedite the appeals process where hazard abatement has not occurred and is at issue.

This regulation was developed through collaboration with labor and management, resulting in adoption of amendments to California Code of Regulations, title 8, section 373. This new expedited process was adopted in July 2013 and was based on a successful pilot project and extensive stakeholder input over the course of several years. The Appeals Board is tracking and monitoring the new process to determine its success. There is no evidence that the process is not working or that this legislation is necessary to usurp this regulation.

Set for hearing on March 19<sup>th</sup>. A similar bill (AB 1165) was vetoed by the Governor last year.

**Staff Recommendation**

Oppose

**ACTION**

**AGENDA ITEM G**

Government Affairs Council

March 12, 2014

**AB 1693 (Perea) Telephone Rates**

**Sources**

Assemblyman Henry T. Perea

Leg Track

**Summary**

Would require the California Public Utilities Commission to act on small, independent telephone corporation rate change requests within 330 days. There would be a consequence for missing the deadline, which aims to decrease the delays in response which have hampered the utility companies.

**Background**

The Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law, with certain exceptions, prohibits a public utility from changing any rate, except when a company proves the new rate is justified. This bill would require CPUC to issue a final decision no later than 330 days after the company files the original rate change case. If the commission fails to act, the request would therefore be automatically granted. The California Independent Telecommunications Companies consist of 13 small, rate-regulated companies, including Sierra Telephone and Sebastian, in rural parts of the state. Some of these companies have been around for over a hundred years and have as few as 400 access lines and as many as 19,000. Currently, the CPUC is taking up to two years to respond to rate-change requests. Waiting for CPUC to respond to rate cases can negatively impact a telephone company because it could be waiting on an answer to initiate improving infrastructure. Under existing law, CPUC has 18 months to respond to cases, but it can extend the deadline by 60 day increments without limit. AB 1693 was introduced on Feb 13<sup>th</sup> and sent to Committee on Utilities and Commerce

**Staff Recommendation**

Support

**ACTION**

**AGENDA ITEM H**

Government Affairs Council

March 12, 2014

## **AB 1717 (Perea) Prepaid Mobile Services**

### **Source**

Assemblyman Henry Perea

LegTrack

### **Summary**

Would require a surcharge on prepaid phones and prepaid phone cards to fund 911 programs. The Prepaid Mobile Telephony Service Surcharge Collection Act would establish a prepaid MTS surcharge based upon a percentage of the sales price of each retail transaction that occurs in this state for prepaid mobile telephony services. The prepaid MTS surcharge would include the emergency telephone users surcharge and Public Utilities Commission surcharge. The bill would require a seller, as defined, to collect the prepaid MTS surcharge from a prepaid consumer and remit the amounts collected to the State Board of Equalization pursuant to the Fee Collection Procedures Law. Currently, the Emergency Telephone Users Surcharge Act requires this of traditional phone and cell phone services.

### **Background**

Chamber supported this bill in April of last year when it was AB 300. It was supported because the bill ensured there would be stable revenue to fund 911 and other state and local programs by collecting existing taxes and fees on prepaid services. It was kicked out because there were some kinks that needed to be worked out. AB 1717 has been resubmitted with the same language as AB 300 to make deadline, but it will be reworked to fix the issues that got it kicked out. Unknown exactly what those issues were. AB 1717 was introduced on Feb. 13 and referred to committee.

### **Staff Recommendation**

Wait for more information

**ACTION**

**AGENDA ITEM I**

Government Affairs Council

March 12, 2014

## **SB 927 (Canella, Vidak) Safe, Clean, and Reliable Drinking Water Supply Act**

### **Source**

Senator Andy Vidak

Leg Track

### **Summary**

Would reduce the Water Bond on the November 2014 ballot from \$11 billion to \$9.17 billion dollars by removing the authorization for funds for ecosystem and watershed protection and restoration projects, and would increase the amount of funds available for emergency and urgent actions to ensure safe drinking water supplies in disadvantaged communities and economically distressed areas. Funding would break down as follows:

\$2.25 billion - Delta Sustainability (same as AB 2686)

\$3 billion - Water Storage (same as AB 2686)

\$1.39 billion – Regional Water Supply

\$1.25 billion – Water Recycling

\$1 billion – Groundwater Cleanup

\$327 million – Emergency Drought Relief

## **Background**

Many lawmakers are authoring their own versions of a new Water Bond. Cannella and Vidak's bill allocates the same amount of money for Delta sustainability and water storage as AB 2686. It adds money to boost relief for disadvantaged communities.

## **Staff Recommendation**

Discussion

**ACTION**

**AGENDA ITEM J**

Government Affairs Council

March 12, 2014

<b>HR 3964 (Valadao) Emergency Water Delivery Act</b>
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## **Source**

David Valadao

Legislative Digest

## **Summary**

Would amend the Central Valley Project Improvement Act to ensure that water dedicated to fish and wildlife purposes is replaced and provided to Central Valley Project (CVP) water contractors by December 31, 2018, at the lowest cost reasonably achievable, and facilitate and expedite water transfers in accordance with that Act. It prioritizes native fish species over non-native fish (American shad and striped bass) to receive water. Mandates that 800,000 acre-feet of CVP water designated for fish be a cap, and the water can reused for contractual obligations. In low water years when Delta water allocations are below 75%, the 800,000 acre-feet designated for fish is reduced by 25%.

## **Background**

The CVP, authorized in 1935, is the major federal project that transfers water throughout California. The multipurpose system of dams, reservoirs, and canals collects and delivers water to 6 of the top 10 agricultural counties in the nation's leading farm state. In normal water years, the CVP can deliver a total of seven million acre feet of water. Most water is used to irrigate over three million acres of farmland while about 15 percent serves over two million urban and industrial customers. The [SWP] serves similar purposes, providing supplemental water to approximately 25 million Californians and about 750,000 acres of irrigated farmland. Since northern California contains over two-thirds of the water and southern California has two-thirds of the population and needs irrigation water, [the CVP and SWP] deliver water to over 27 million humans south of the Delta pumps and around the San Francisco Bay area."

In 1992, Congress passed the CVPIA, adding a new purpose to the CVP: the “protection, restoration, and mitigation of fish and wildlife.” CVPIA allocated 800,000 acre-feet per year of CVP water “for fish and wildlife purposes.” Because the new use was given no less emphasis than CVP’s original uses, water was diverted away from farmers and cities to fish and wildlife. Since then, many have questioned whether the flows have had any positive impact on fish and wildlife flows compared to other factors and many have accused the Department of the Interior (DOI) of allocating more than 800,000 acre feet due to vague language in the statute. HR 3964 was introduced January 29<sup>th</sup> and passed the House on February 5<sup>th</sup>. The Senate is coming up with its own version of the bill.

**Staff Recommendation**

Discussion

**ACTION**

**AGENDA ITEM K**

Government Affairs Council

March 12, 2014

<b>HR 4039 (Costa) Drought Relief Act</b>
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**Source**

Congressman Jim Costa

[gpo.gov](http://gpo.gov)

**Summary**

(House compilation to Senate Bill)

Would provide maximum water supply for California during the drought emergency by pumping water from the Delta (while still keeping with Endangered Species Act), opening Delta Cross Channel Gates for as long as possible, maintain a 1:1 “inflow-to-export ratio” for San Joaquin River flows and make rescheduled water available to contractors. It would also provide emergency funding to build temporary gates and barriers for fish protection. Extends water deliveries from Feb 28 to April 15, 2014 of unused 2013 water supply. Provides \$100 million in emergency funding for water supply projects like groundwater wells, conservation technology and WATERSMART grants.

**Background**

This bill differs from HR 3964 because it is focused on water supplies in the immediate drought year, rather than focusing on a long term regulatory solution. Instead, it mandates specific actions for the administration to take to increase water supplies in the 2014 water year. Introduced February 11<sup>th</sup> and referred to committee.

**Staff Recommendation**

Discussion

**ACTION**

**AGENDA ITEM L**

March 12, 2014

<b>HR 4125, 4126, 4127 (Costa) Water Storage</b>
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**Source**

Congressman Jim Costa

[congress.gov](http://congress.gov)

**Summary**

Would authorize construction of three storage projects: Temperance Flat, Shasta Dam Expansion and San Luis Reservoir, pending completion of feasibility studies and the projects being found feasible.

**Background**

Introduced on February 28<sup>th</sup> and referred to Committee on Natural Resources.

**Staff Recommendation**

Wait for progress and more information