



LEGISLATIVE & LEGAL REPORT



By MIKE STOKER

DELTA PUMPING/SMELT AGREEMENT REACHED

On June 23rd, Secretary of the Interior Ken Salazar announced that an agreement on Delta pumping operations has been reached among all parties. The agreement will preserve the reliability of water exports and protect the Delta smelt.

Salazar, the U.S. Department of the Interior, the California Department of Water Resources, water users and environmental groups reached the agreement on operations of

the Central Valley Project (CVP) and the State Water Project (SVP), but it does not address the underlying challenge to the pending court challenge to the Fish and Wildlife Services biological opinion.

“As we develop the long term solutions to California’s water challenges, I look forward to working with the congressional delegation and all stakeholders to find ways to improve reliability of water deliveries throughout California while also improving environmental


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ILLEGAL IMMIGRATION COSTS CA \$21.8 BILLION PER YEAR

The cost of illegal immigration in the United States is \$113 billion dollars per year, an average of \$1,117 for every legal citizen according to a study conducted by the Federation for American Immigration Reform (FAIR).

The single largest cost to the government of illegal immigration according to the


report, is an estimated \$52 billion spent on schooling the children of illegal immigrants.

The study also breaks down the costs state by state claiming Texas’ costs equal \$16.4 billion, California \$21.8 billion and New York \$9.5 billion. It should be noted that the report does fail to account for the purchasing power of undocumented individuals which support US businesses and US jobs, and that it ignores the value added to the US economy. 

LEGISLATION TO BLOCK HEALTH CARE PREMIUM INCREASES

Recently, the Senate Committee on Health Education Labor and Pensions held a hearing on “Protection from Unjustified Premiums.” Witnesses included the Senator Dianne Feinstein, and others. The focus of the hearing was the impact of health reform on premiums, on current market conditions, and ensuring that premium increases are justified.

Senator Feinstein discussed legislation she proposed in response to rising health care rates, including increases that Anthem/Blue Cross of California is seeking to impose on 800,000 Californians. Anthem’s rates will go up, on average, 25%-39% percent for some consumers. The legislation would give the Secretary of Health and Human Services the authority to block premium or other rate increases that are unreasonable.

Under this proposal, the Secretary would work with the National Association of Insurance Commissioners to implement the rate review process, and identify states that have the authority and capability to review rates. The legislation would not apply to States with their own efforts underway. Because of procedural rules, Feinstein’s proposal was not included in the recently enacted health reform act. More info at: <http://help.senate.gov/>. 

CCSCE RELEASED REPORT REGARDING CALIFORNIA'S ABILITY TO CREATE JOB GROWTH

The Center for Continuing Study of the California Economy released its 2009/10 Edition of California County Projections that concludes that California is becoming an “average state in terms of job growth with long-term job growth only slightly faster than the national average.”

However, that average job growth will be enough to support state populations increases of nearly 500,000 residents per year.

Also, the changing age profile of growth will affect California’s labor and housing markets over the next ten years. Baby boomers will begin to retire. Over 50% of the state’s population growth will be in the 55+ age groups and another 20% will be in the 20-35 age groups.

There will be little growth in the 35-54 age groups after two decades of substantial increases, according to the report. The report also finds that the San Joaquin Valley will

become the fastest-growing region between 2008 and 2018, adding nearly 750,000 residents.

The Sacramento Valley will be the second-fastest-growing region, with the Sacramento region becoming the third-fastest-growing region. The largest numerical growth will be in the Los Angeles Basin and San Francisco Bay Area, with 3.1 million new residents. For more information on the report, go to: <http://www.ccsce.com> 


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conditions in the Delta,” said Secretary Salazar.

The opportunity for consensus arose after the U.S. District Court in Fresno issued a decision on May 27, 2010, finding that the irrigators were likely to succeed in their challenge to FWS’s biological opinion. Rather than holding hearings regarding an injunction, the court granted the party’s request to attempt to negotiate an appropriate agreement.

According to Association of California Water Agencies (ACWA), under the agreement, pumping operations of the Central Valley Project and State

Water Project must maintain Old and Middle River flows not more negative than -5,000 cubic feet per second. If the numbers of smelt harmed at the pumps exceeds agreed upon levels or if an imminent threat to the species is detected, the U.S. Fish and Wildlife Service may require reduced pumping operations to increase flows.

As of July 1, all pumping restrictions required under the smelt biological opinion cease. Hearings on the challenge to the substance of the biological opinion were scheduled for July 8 and 9. For more info, visit: <http://www.doi.gov>. 

CALIFORNIA NOW WORST PLACE TO DO BUSINESS


In the latest issue of “Chief Executive” magazine, results were published for the “Best and Worst States for Business 2010,” based on a January survey of 651 CEOs from around the country.

The business leaders rated the business climates of all 50 states and the District of Columbia on: a) taxation and regulation, b) quality of workforce, and c) living environment.

For the second year in a row, Texas ranked #1 in the country while California ranked dead last at #51 (includes Puerto Rico) for the second straight year. California was the only state

in the nation to get a letter grade of “F” from the CEOs for the category “Taxation and Regulation.”

The trends in employment levels in California and Texas support the stark differences in the CEOs’ rankings of the two states. California lost more than a million jobs during the recent 2008-2009 recession, and there are actually fewer jobs in the Golden State today than there were ten years ago.


In contrast, job creation in Texas barely even slowed during the worst recession in a generation, and Texas has 151,000 more jobs today than when the recession started in December 2007, and 1.11 million more jobs than a decade ago. 

CALIFORNIA TO FACE ANOTHER ROUND OF MORTGAGE DEFAULTS

Over the last year, the California Housing Partnership Corporation (CHPC) has published a series of regional reports on the at-risk housing crisis due to expiring Section 8 contracts. In their most recent 2010 issue, CHPC explores a second overlapping crisis: expiring mortgages.

In the issue, CHPC highlights that without federal or state intervention to preserve these at-risk apartments, thousands of low-income families, seniors and people with disabilities remain directly at-risk of homelessness.

According to CHPC, the current wave of expiring mortgages represents those properties developed under Section 221(d)(3) and Section 236 that are now reaching the end of their original 40-year term of affordability. Over the next decade, dozens of project-based section 8 contracts in Alameda, Contra Costa and San Mateo Counties will expire without any assurance of renewal by the private landlords who control them, potentially ending the subsidies that ensure affordable housing for thousands of low-income families in the region.

In the next year alone, there are 995 apartments with expiring contracts in the three counties, CHPC says. Within 5 years without interventions this number will rise to 1,233 apartments with expiring contracts. For more info, visit: CHPC at <http://www.chpc.net/>. 

The UAL Legislative & Legal Report is provided to UAL members by attorney, Mike Stoker. Mr. Stoker is the former Chairman of the California ALRB and is an attorney whose law practice emphasizes federal & state legislation, land use, regulatory and governmental matters. The advice and opinions stated are exclusively those of Mr. Stoker. The purpose of this newsletter is to provide UAL employer members with general information on recent legal and legislative developments. UAL members are entitled to 1 hour per year of free consultation services from Mr. Stoker. The contents of this Report should not be construed as legal advice or legal opinion. You are reminded that you should not rely on any legal information you receive from any source without first consulting with an attorney. You can contact Mr. Stoker at (805) 686-4300 or at mikestoker@aol.com.