



Meeting of the Board of Directors

Friday, June 13, 2008

10 a.m. to 3 p.m.

State Center Community College District – Madera Center

Madera, California

DRAFT Meeting Minutes

Present: Secretary Linda Adams, James Aleru, Lee Andersen, Frank Bigelow, James Bourgart (Representing Secretary Dale Bonner), Marcelyn Buford, Secretary Mike Chrisman, Chair Connie Conway, Kathleen Crookham, DeeDee D’Adamo, Barbara Goodwin, Fritz Grupe, Coke Hallowell, Corwin Harper, Barry Hibbard, William Ing (Representing Secretary Kim Belshé), Secretary A.G. Kawamura, Kirk Lindsey, Luisa Medina, Sunne McPeak, Leroy Ornellas, Pete Parra, Gary Podesto, David Quackenbush, Jeff Rowe, Lorraine Salazar, Paul Saldana, Stanley Simpson, Undersecretary Cindy Tuck, Ray Watson, Pete Weber, Jeff Wyly (Representing Secretary Victoria Bradshaw)

Legislator: Assemblyman Juan Arambula

Staff: David Hosley, Ashley Swearengin

I. Convene Meeting & Introductory Remarks

Chair Conway called to order at 10:22 a.m. the meeting of the Board of Directors of the California Partnership for the San Joaquin Valley (Partnership). Chair Conway thanked participating Legislative representatives for their involvement.

Members of the board introduced themselves followed by the introduction of the public. Chair Conway introduced Dr. Deborah Ikeda of the State Center Community College District who welcomed the Partnership to the Madera Center.

II. Review and Approval of Minutes

Mr. Bigelow moved to approve the February 8 and April 10, 2008, minutes as presented. Mr. Parra seconded the motion. The motion passed unanimously.

III. Priority Work Group Updates

Water Quality, Supply and Reliability

Mr. Watson reviewed the Water Work Group’s activities to develop an Integrated Regional Water Management Plan (IRWMP) for the San Joaquin Valley with hopes to integrate it into the state plan. This process will take two to three additional years of work and will require further funding. The work group recently reviewed the myriad of overlapping plans from organizations related to water (local, regional and state agencies and physical structures such as flood plains, aquifers, etc.).

The Water Work Group presented to the Partnership a resolution proposing eight specific actions in support of a comprehensive water plan that meets the needs of all

Valley counties and California. Mr. Watson recommended an amendment to the original proposal to include the phrase, "...subject to the review and approval of lead agencies" closing the paragraph preceding the recommendations. Mr. Grupe moved to approve the resolution including the amendment; Ms. D'Adamo seconded the motion. The motion was passed unanimously.

Transportation

Mr. Bigelow provided an update on the activities of the Transportation Work Group, which now meets quarterly. All eight of the San Joaquin Valley counties participate in the group. Work group priorities are: 1) completing and implementing the Highway 99 Business Plan, 2) Goods Movement Plan and 3) High-Speed Rail (HSR).

The Highway 99 Business Plan is projected to be complete November 2008 and will include updated financial plans. Caltrans has committed \$115,000 for an economic benefit study necessary to proceed with the potential designation of Highway 99 as an interstate and is finalizing a consultancy contract for completion of this study.

The regional Councils of Government (COGs) are leading the effort to address issues relating to regional goods movement and have drafted a two-tier plan 2009 Federal Transportation Improvement Program (FTIP).

Mehdi Morshed, executive director of the California High-Speed Rail Authority (Authority), presented an update on the HSR project. Mr. Morshed thanked the Partnership for work accomplished over the past year in support of HSR and the Legislative budget request.

The Authority has issued an environmental report supporting an HSR link between the Valley and Bay Area. The Altamont Pass has been identified as HSR-capable but not feasible; it is better suited as a "high-speed commuter path" and will be recommended in July as such. Pacheco Pass is a more feasible high-speed inter-city facility that will meet the needs of Bay Area while linking it with the Valley as outlined in AB 3034. Both routes are recognized as HSR-capable and will be eligible to receive bond money.

Mr. Morshed reviewed the budget process for the Authority (\$8.2 million), including \$2 million proposed for Fresno to Sacramento engineering. The Authority acknowledges the support from the Governor and Legislature and intends to work on the Fresno to Sacramento corridor regardless of the budget outcome.

Mr. Morshed indicated that Union Pacific Railroad recent correspondence on rights-of-way has very little impact on HSR planning. The total cost of rights-of-way will run 6-8% of the project and is not considered a major impact. Mr. Bourgart reaffirmed that position.

The Senate Transportation and Housing Committee issued a report on HSR the week of June 2 recommending investing in existing urban rail rather than HSR. The bill has been amended to consider speed of transport as a critical factor.

Mr. Weber thanked Mr. Morshed and his staff for addressing the concerns of the Partnership as outlined in the February 2008 meeting.

Mr. Weber asked Mr. Morshed for his assessment of the reasoning behind the Senate Transportation Committee's report and seeming lack of support for HSR. Mr. Morshed did not have any additional insight into the committee's report.

Mr. Morshed further commented that if priorities are urban areas then the solution is not HSR, it is additional urban trains. Mr. Morshed recommended that the Partnership and other supporters of HSR review the bill's language then organize and speak to individual committee members and have local legislators and Chair Conway speak directly with members of the committee to communicate the Valley's issues.

Mr. Weber recommended that Katie Stevens, Partnership staff, work with Mr. Morshed and the Authority to develop a plan of action to address concerns on behalf of the Valley.

Mr. Grupe requested clarification about the decision to support Pacheco Pass versus the Altamont Corridor. Mr. Morshed indicated that a predominant factor was lack of agreement in the communities surrounding the Altamont Corridor. Additionally, Pacheco is the route for "high-speed" rail, while the Altamont route can be operated at a lower capacity.

Mr. Harper asked if there is any indication that those communities would support or partner with the Authority for commuter rail. Mr. Morshed replied that the communities are saying they are supportive of a solution that is not as disruptive as HSR through the Tri-Valley corridor. HSR is not "station friendly" due to its speed and capacity requirements; it's better for the Authority to support a localized alternative to create a win/win solution. Mr. Morshed is confident that a good solution will result from the discussions, and Authority studies indicate commuter rail is feasible.

Secretary Adams thanked and commended Mr. Morshed and his team for their creativity and for amending the HSR proposal. Secretary Adams strongly urged the Partnership to weigh in with its position on AB 3034 with direct contact to Sens. Lowenthal, McClintock and Ashburn. Secretary Adams observed that 40% of CO₂ emissions come from automobile traffic. HSR should be a big part of emissions reduction, and the Partnership should work with the Air Resources Board (ARB) to promote HSR in support of AB 32 (greenhouse gas emissions). Ms. D'Adamo commented that the challenge will be to quantify the benefits of HSR for the ARB.

Mr. Saldana asked about the status of an HSR station in Visalia. Mr. Morshed confirmed that the Authority recognizes the need for a station between Fresno and Bakersfield but is not yet clear on the optimal location.

Ms. McPeak asked about the relationship between the railroads and the Authority. Mr. Morshed responded that it is mixed; one company is open to HSR discussions, the other is not. Ms. McPeak further commented that this is an opportunity to connect the dots between the two, leveraging the railroads' need for State support in the LA/Long Beach area with the Authority's need for railroad support in developing HSR.

Mr. Lindsey observed that the state is trying to integrate and bundle rail activities in order to negotiate with railroads. However, railroads insist that passengers and freight don't combine. The Governor is engaged with the railroad negotiations.

Mr. Lindsey further commented that Senator Lowenthal, head of the Senate Transportation Committee, represents the ports and density communities. Mr. Lindsey recommends the Partnership monitor the HSR bill closely to ensure that it represents the interests of the San Joaquin Valley. Finally, Mr. Lindsey encouraged the Partnership to support the \$8 million in funding for the HSRA by contacting Senator Cogdill's and Assemblyman Villines' offices.

Mr. Bourgart commented that the Administration is engaging with the railroads to address mutual needs and desires with the California Transportation Commission (CTC). They are targeting September 10 as the deadline for developing a Memorandum of Understanding (MOU) with the railroads. Caltrans has engaged a consultant to analyze and verify the information from the railroads regarding their current operations and capacity. It is important to determine what the public benefits are from the \$450 million in bond funding the railroads are requesting.

Ms. Medina highlighted the importance of training and preparing a local workforce to construct the HSR. Mr. Morshed responded that Senator Steinberg is supportive of this concept.

Ms. Goodwin pointed out the endorsement by the Council of Governments (COGs) of AB 3034 on page 22 of the agenda package as an example of the continuing coordination with the Partnership. Ms. Goodwin distributed the San Joaquin Valley Regional Planning Agency's annual budget and work program which further highlights the level of coordination among the COGs.

Mr. Lindsey advised that the protection of Proposition 42 monies will be challenged within the next five to six weeks; this is the only funding for capacity and expansion. He recommended that the Partnership consider pursuing the idea of a Valleywide transportation authority to deal with the entire Valley corridor.

Mr. Bigelow stated that the Transportation Work Group will shift its focus to completion of the Highway 99 Business Plan.

Air Quality

Mr. Weber acknowledged that there are no "silver bullets" to address the San Joaquin Valley's poor air quality. However, significant progress has been made in the areas of regulation, incentive funding and public education.

Regulatory: There have been major advances since the launch of the Partnership and development of the Strategic Action Proposal. The Air District has approved an ozone plan and PM 2.5 plan, both of which include all 29 recommendations of the Air Quality Work Group and have been approved by the California Air Resources Board (ARB). The Air District introduced a highly controversial indirect source rule, the first of its kind in the United States, which was intended to curb urban sprawl and was upheld in court.

The off-road equipment rule was introduced. The work group supported this bill with modifications, and it passed 6:4. Ms. D'Adamo and Judy Case were acknowledged for their support of these efforts.

The ARB is now focused on the most controversial rule—the diesel equipment rule. In its first draft, the rule would have decimated the Valley; the second draft is significantly better but still has room for improvement.

Incentive Funding: The target for incentive funding was to generate \$200 million per year. Over half of that goal has been secured.

- Senator Feinstein helped secure \$5 million per year;
- Through Proposition 1B, \$50 million per year for the next five years has been appropriated;
- Farm Bill funding and language support the Valley getting a majority of the \$150 million farm EQIP (Environmental Quality Incentives Program) program, \$37 million/year;
- The Indirect Source Rule generates \$20-25 million per year.

In the upcoming months, the Valley will re-engage in the container-fee discussion as proposed by Senator Lowenthal. It is imperative that the Valley have a seat at the table to debate where container fees are allocated.

Assemblyman Arambula's bill, AB 2522, proposes to allow the San Joaquin Valley Air District (Air District) to raise DMV fees by \$27 per person to improve air quality. This bill has the support of every member of the Air Quality Work Group as well as environmental advocacy, farming, business and the California Trucking Association, but its passage looks difficult. The Republican caucus is against AB 2522; the Partnership Board has not yet been asked to take a position on the bill but it could generate up to \$75 million per year toward improved air quality. The Air Quality Work Group continues to seek Federal funding.

Public Education: In the area of public education, the Air District has organized a fast track group to engage the public in more proactive activities beneficial to air quality. During the week of July 7, the Air District is launching a "Healthy Air Living" campaign which will include the raffle of a Toyota Prius hybrid automobile based on meeting air quality improvement recommendations. Information regarding the program and how to qualify for the raffle can be found at <http://www.healthyliving.com/welcome.htm#>

The Air District also has emission reduction incentives. More information on these programs is available at the District's web site: http://www.valleyair.org/Grant_Programs/GrantPrograms.htm or by calling one of the Air District offices.

Secretary Kawamura commented that the Partnership is working in many good areas. He suggested there is a need to develop a comprehensive blueprint for agriculture, not just for the San Joaquin Valley but for California following the Farm Bill process, which was a good example of collaboration. He announced a series of listening sessions for public comments on a comprehensive Ag Vision plan (a living document looking ahead to 2030). Visit <http://www.cdfa.ca.gov/agvision/> for series schedule.

IV. Lunch Recess

Caroline Beteta, president and CEO of the California Travel and Tourism Commission, made a presentation on travel and tourism. Mr. Weber proposed that the Economic Development Work Group send a letter to Ms. Beteta requesting assistance in developing a regional plan for travel and tourism in the San Joaquin Valley.

V. K-12 Education Special Session Report

Dr. Andersen provided an overview of the K-12 Education Work Group's activities since the April special board session focused on K-12 Education.

English Learners: The English Language Learner Leadership Academy (Academy) has completed nine of the initial ten sessions. The respective county offices of education and Academy participants are planning to continue the Academy in 2008-2009 and expand the program from two to three locations with 40 participants at each and are seeking funds externally to support this effort.

Post Secondary Options: Kern County Office of Education has proposed a pilot program to facilitate a college going culture for eighth-grade students.

Dr. Andersen indicated that the K-12 Work Group was approached by ConnectEd to support a statewide program linking Career Technical Education (CTE) with higher education readiness. ConnectEd focuses most heavily on higher education opportunities to the detriment of more traditional CTE; the only way to participate in CTE is if the student also is successful in the higher education pathway. Dr. Andersen requested that the board approve a resolution focused on preparing people for specific industries or career paths in support of multiple pathways for post-secondary education options. Dr. Andersen emphasized that the proposed resolution is in support of "multiple pathways" in the generic sense and not in the framework of Multiple Pathways as specifically described in AB 2648.

Randy Wallace, Tulare County Office of Education, commented that the intention is to support a college-going culture, and a resolution is necessary to address and support locally controlled, locally defined CTE curricula with expansion of funding and support but which does not support a specific entity or organization for development or delivery.

Dr. Andersen stated that the education system is at a choice point of priority policy decisions statewide that can positively impact CTE opportunities; the current focus is purely on "academics". This is an opportunity to shift educational priorities.

Mr. Quackenbush asked for clarification of the resolution's language and the necessity of the resolution.

Dr. Andersen responded that the resolution addresses multiple approaches of attaining academic success; not every student will be required to meet all A-G requirements in order to participate in CTE programs. Not every student's path to graduation must be a combination of academic and CTE.

Mr. Weber observed that the resolution as drafted asks for more funding but the discussion indicates the work group is asking for something different. He suggested the "Therefore" section be edited to reflect this. Mr. Wallace commented that the group had

discussed improvements to CTE with the Governor's support, to protect current funding, not ask for more. Mr. Rowe commented that the group strongly supports the premise that we don't want to get locked into every child going through CTE also having to meet the A-G requirements. Many kids won't go to college and the resolution should more clearly spell that out.

Mr. Parra commented that the answer is not necessarily funding; it's the degree of what is required for a student to get their diploma or GED. Students think they aren't going to pass, and give up. Dr. Andersen commented that in order to meet the dual path requirement we would need longer school days and school years. Dr. Andersen further commented that he understands the sensitivity about education not needing more funding. However, the Partnership board needs to be positioned to respond to AB 2648 in case it jeopardizes CTE in the Valley.

Mr. Weber recommended and Dr. Andersen agreed that the work group will revise the resolution to be more specific in its objectives and actions to address the board's questions and comments. The full board will receive the proposed new version for review.

Accountability and Education Reform: Ms. Medina expressed concern as to the limited message of the CTE resolution. Ms. Medina commended the work group and board on the work done at the April special session in developing an agreed upon path for the K-12 work group. She expressed concern about the work done since the special session. At the April meeting, Secretary Long challenged the Partnership to take a position and make bold recommendations.

Mr. Weber commented that the April special session resulted in agreement that the K-12 Education Work Group would address changes within the system, as well as bold initiatives to reform the system. Mr. Weber questioned why a resolution on the Governor's reform initiatives was not presented to the board. He commented that in order to be relevant, the Partnership must be timely with input on the recommendations. Dr. Andersen commented that he believes the work group will support the Governor's recommendations but that it will take years for implementation, especially given the state's current fiscal situation. Dr. Andersen indicated that the Valley superintendents are actively participating in public input session being organized by Secretary Long.

Assemblymember Arambula acknowledged that significant reforms will require both time and money, but it's important for the Partnership to have a position on the Governor's Commission recommendations in a timely manner in order to be effective. Opponents of school reform are not waiting; they're trying to dilute it even now. Acknowledging that reforms may take some time, Assemblymember Arambula restated the importance for the Partnership to take a position quickly. Dr. Andersen agreed to work with the staff to develop a draft resolution and will forward it to the board for approval.

Pre-Kindergarten: Dr. Andersen requested that the Partnership approve a resolution changing the work group name from K-12 to PreK-12 Education. This proposal falls in alignment with recommendations of the Governor's committee. Mr. Rowe moved to approve the resolution. Mr. Harper seconded the motion. The motion was approved. The motion was opposed by Ms. Medina, Ms. Buford and Mr. Podesto.

Work Plan Modification: Dr. Marcy Masumoto, Central Valley Education Leadership Institute (CVELI) reviewed the proposed modifications to the PreK-12 work plan through June 2009 as it relates to the contract with CVELI. Certain Goals and Objectives were added or removed based on the April special session. Dr. Masumoto requested approval of the work plan modifications.

Mr. Weber asked if these modifications include deletion from the Strategic Action Proposal (SAP). Dr. Masumoto responded that the proposal does not impact the SAP, but does remove them from the scope of work for the CVELI contract.

Mr. Saldana referred to Additional Goal 5 and suggested the addition of "...other community job trainers" under the first action, deliverables.

Mr. Harper commented that it would be helpful to have more background regarding this work plan since it is part of a larger plan.

Ms. Swearengin added that the scope of work modification also would result in a budget modification, moving other costs into a salary line item to cover the expense of Dr. Masumoto's salary. This modification would not result in a change in the dollar amount but a shift in the budget figures.

Mr. Hosley moved to approve changes to the work plan and budget for CVELI but not to delete these elements from the Strategic Action Plan. Mr. Parra seconded the motion. The motion was approved. Ms. Medina opposed the motion.

VI. In-Depth Work Group Report

Economic Development

Mr. Saldana introduced Bobby Kahn, Madera County Economic Development Corporation, who provided a slide presentation outlining accomplishments of the Economic Development Work Group.

Mr. Harper asked if the work group is targeting international companies that have gone overseas with incentives to return to California. Mr. Kahn responded that the seed grant was reduced by that element of the proposal so it is not specifically included but they are looking at scaled-back opportunities to do international marketing.

Mr. Hibbard acknowledged that incentives are important to draw companies but commented that other major factors include: qualified labor force, leadership, and consistent and predictable permitting processes. Scott Galbraith, Merced County Economic Development Corporation, agreed that most companies don't pick and choose but want all of the incentives mentioned. Doug Sweetland, Stanislaus Economic Development Alliance, further commented that the enterprise zone is the main incentive they promote, and site consultants frequently request shovel-ready sites.

Legislation such as SB 975 (prevailing wage) is the primary impediment among five of the six counties. Mr. Parra asked if it is likely that we can achieve a regional prevailing wage and if there are strategies to achieve that. Mr. Saldana responded that there is some interest in the region and in Sacramento. Mr. Weber inquired about the possibility of negotiating with the unions to increase apprenticeship programs and reduce costs

through other opportunities. Mr. Kahn stated that the Central California Economic Development Corporation is not a political body and addressing prevailing wage issues is a new area for their collaborative.

Mr. Saldana's closing comments included a reference to page 44 of the board package listing activities and opportunities being pursued by the Economic Development Work Group. Mr. Saldana also expressed his appreciation to Pete Weber for prompting the engagement of the Tourism Board with the Economic Development Work Group.

VII. Follow-Up Items from Previous Board Meeting

Blueprint Update

Mr. Hibbard presented a DVD overview of the Blueprint process and described this as an exciting time and a Golden Age for the San Joaquin Valley as widely diverse groups of citizens are coming together to provide input into the Blueprint.

Mr. Hibbard outlined the three main highlights surrounding the blueprint process: 1) there is movement among all eight counties 2) there is a recognized need for involvement of public officials and 3) a complete publicity rollout campaign has been developed. The April forum was very successful and well attended. The next forum is scheduled for January 2009. A number of marketing developments will be implemented this fall.

UC Merced Medical School

Larry Salinas, UC Merced Executive Director of Governmental Relations, and Brandy Ramos Nikaido, UC Merced Executive Director of University Relations, provided an update on the UC Merced Medical School. In May, the Regents of the University of California gave unanimous approval for UC Merced to continue planning for a medical school.

Since the UC Regents' meeting in March, there has been tremendous support for the medical school from the faculty senate, the Partnership, San Joaquin Valley boards of supervisors, and state and federal legislators.

Mr. Salinas outlined the next steps in the planning stage which culminate in May 2009 with the presentation of a full business plan to the UC Regents. Mr. Salinas reported that in the meantime there is a need to garner additional support from the major cities in the Valley and to raise money for the school. This is a valley-wide campaign. Internally, UC Merced will begin planning for the infrastructure, the curriculum and soliciting faculty for review and approval of the curriculum.

Mr. Weber inquired whether or not UC Merced has developed specific funding milestones to achieve, which will strengthen the Valley's position favorably for a bond measure. Mr. Salinas responded that a bond funding component is not anticipated for this year. Other (revenue-based) fundraising opportunities also will exist.

Ms. D'Adamo commented that this effort has received terrific support from a coalition of more than 120 community members representing all eight counties. The template is in place and was supported by Reps. Cardoza and Costa and Assemblymember Villines.

The next steps represent a major campaign that will be a sustained marathon effort, not a sprint.

Ms. Nikaido reiterated thanks to the entire region and the Partnership for support of the medical school. Additionally, UC Merced has selected the six initial sites for the Valley telehealth initiative, equipping existing clinics from Fish Camp to Oildale and providing consultative specialist telemedicine services. Seed grant funding from the Partnership was instrumental in establishing the telemedicine network. UC Merced also received \$4.36 million from the California Institute for Regenerative Medicine in support of stem cell research.

Dr. Andersen advised that UC San Francisco has partnered with the regional educational system through its Doctors Academy targeting junior high and high school students. Dr. Andersen questioned the possibility of competition for medical school funding and staff between UC Riverside and UC Merced. Mr. Salinas responded that competition is unlikely since the Valley and the health care system in general need both.

VI. Report from the Secretariat

Ms. Swearingin advised that the Secretariat is working to secure funds and a bill to sustain the Partnership through the term of the Strategic Action Plan and introduced Katie Stevens for a detailed update. Ms. Stevens stated that the Governor's May revise included \$2 million for the Partnership. The Executive Committee is working with the Legislature to preserve this funding. AB 2342 Partnership Bill passed the Assembly by a vote of 75:1; the bill is scheduled to be heard Monday, June 16. Ms. Swearingin commented that the Governor's inclusion of the \$2 million in the May revise is a reflection of his confidence and a confirmation of the value he sees in the Partnership.

Ms. Stevens proposed an urgency item to the board in support of High-Speed Rail (HSR) following the May 23 letter in support of AB 3034 which was directed to the Senate Committee. Ms. Stevens proposed that the Partnership consider a motion in support of HSR.

Mr. Bigelow motioned to recognize the support of HSR as an urgency item. Ms. Medina seconded the motion. The motion was approved unanimously.

Mr. Bigelow moved to add the support of HSR as an urgency item on the June 13 agenda. Mr. Rowe seconded the motion. The motion was passed unanimously.

Mr. Weber moved to direct the Secretariat staff to write a letter to the Senate Transportation Committee urging its support of AB 3034, as last amended, and expressing concern over the Committee's report, particularly recommendation #6 which would prioritize construction of regional segments of the high-speed rail corridor before developing the long distance link between the state's major urban centers, i.e., Los Angeles and San Francisco. Mr. Harper seconded the motion. The motion was approved unanimously.

Mr. Saldana recommended that the Transportation Work Group look into the issue of rail companies' abandonment of certain existing rail lines.

Mr. Harper suggested that the Transportation Work Group partner with the Economic Development Work Group to assess opportunities to use HSR to entice companies into the San Joaquin Valley.

Mr. Saldana acknowledged the link between a San Joaquin Valley HSR corridor and the potential to positively impact the UC Merced Medical School as well as the Valley's overall ability to retain qualified medical practitioners by linking them to major metropolitan areas.

VII. Annual Summit and Report

Mr. Hosley's update included a reminder that the Annual Summit is on December 11, 2008, in Stockton. The Great Valley Center will begin planning for the Annual Report in July.

VIII. Adjournment

The next regularly scheduled board meeting of the Partnership is scheduled for September 12, 2008, in Merced County. Chair Conway provided closing remarks and at 3:18 p.m. adjourned the board meeting of the California Partnership for the San Joaquin Valley.