



Meeting of the Board of Directors

Friday, March 13, 2009

10 a.m. to 3 p.m.

Harris Ranch Inn & Restaurant

24505 Dorris Avenue

Coalinga, CA 93210

DRAFT Meeting Minutes

Present: James Aleru, Frank Bigelow, Andy Chesley, Chair Mike Chrisman, Connie Conway, Sidney Craighead, DeeDee D'Adamo, Mike Dozier, Robert Gore (Representing the office of Governor Schwarzenegger), Frank Gornick, Coke Hallowell, Barry Hibbard, William Ing (Representing Secretary Kim Belshe'), Farrell Jackson, Mary Alice Kaloostian (Office of Senator Cogdill), A.G. Kawamura, Luisa Medina, Mike Navarro, Mike Nelson, Leroy Ornellas, Richard Ortega, Pete Parra, Nicole Parra, David Quackenbush, Jeff Rowe, Paul Saldana, Ashley Swearengin, Cindy Tuck (Representing Secretary Linda Adams), Gene Voiland, Ray Watson, Peter Weber, Jeff Wyly (Representing California Labor & Workforce Development Agency)

Staff: Mike Dozier, David Hosley

I. Convene Meeting & Introductory Remarks

Chair Chrisman called to order at 10:14 a.m. the meeting of the Board of Directors of the California Partnership for the San Joaquin Valley (Partnership). Chair Chrisman thanked the participants for their attendance and participation. Chair Chrisman acknowledged and welcomed the new Board members whose appointment was announced on March 12, 2009: Andrew Chesley, Sidney Craighead, Mike Nelson, Richard Ortega, David Quackenbush and Ashley Swearengin.

I. Self-Introductions

Members of the board introduced themselves.

II. Review and Approval of Minutes

Chair Chrisman reminded the board of the need to approve the minutes from the meetings on September 13, 2008, and December 13, 2008. The motion was made by Mr. Chesley and seconded by Mr. Saldana.

III. Report from the Secretariat

Mike Dozier introduced himself as the new Director of the Office of Community and Economic Development which serves as the Secretariat for the Partnership. Mr. Dozier commented that in the few weeks he has been in the role he has been impressed by breadth and dedication of the work groups working to address critical issues for the Valley and the magnitude of their collaboration reaching from San Joaquin to Kern County. Mr. Dozier further noted how impressed he is by the breadth, depth and commitment of the Partnership Board. He observed that there is a lot of work to be done but much activity under way.

Mr. Dozier commended the OCED staff, recognizing the work of Christine Nutting, Katie Stevens, Melanie Allen, Marcia Martin and Manjit Atwal by name and welcoming Jen Paul who joined the staff in March. The work of preparing materials for and setting up this meeting is emblematic of what the staff does on a regular basis, in addition to their respective and collective program and project activities. The most recent example of staff responsiveness is the speed and thoroughness with which the staff engaged with Nicole Parra on the Regional Economic Recovery Plan. The staff is working very hard and will continue to do so after June; the Partnership effort is too important to let go in June when the current budget ends.

In speaking about the Partnership budget, Mr. Dozier referred to page 29 of his report in the Board packet and conveyed the commitment by the Secretariat to continue its work even after June due to some cost savings over the years with California State University, Fresno, and Partnership monies. There is a \$142,000 funding gap for which the Secretariat is seeking support from the Councils of Governments (COGs) and is hoping for incremental funding from the City of Fresno. Without gap funding, there will be some reduction in services, maintaining most of the work groups, although HHS indicates this will be very difficult for them; OCED will pick up slack as possible. There is a possibility of funds from the economic stimulus package. The Secretariat will provide as much information as we can to all counties regarding stimulus monies and see what's left in discretionary funds.

The office has undertaken a vigorous search for funding and in doing so has solicited input from the work groups for their activities based on optimal, minimal and no funding. The optimal budget to sustain current efforts is approximately \$3.2 million with a hope that Workforce Investment Board (WIB) funding will come through the Governor's discretionary fund. The minimal budget is approximately \$1.2 million and does not include Health and Human Services (HHS). In the event of no funding, which is the more realistic projection at this point, the Secretariat will continue to provide administrative support for communications, board meetings, and some work group and legislative support. Referring to the Board packets, Mr. Dozier pointed out that the proposal sets out goals and objectives and provides a template for going to other agencies and asking for support. This indicates that we know what we want, and we're organized to go get it. It instills confidence that we will continue.

Mr. Dozier advised that the Secretariat will also continue to seek funding, partnered with the Great Valley Center (GVC), for the annual meeting and annual report and invited Mr. Hosley to comment. Mr. Hosley expressed his conviction that the Partnership is very important to Valley. There is great value in continuing to document and report on Partnership accomplishments through the Annual Report, as well as present the annual meeting, but as yet there is no funding. Mr. Hosley commented on the possibility of obtaining sponsors for annual meeting and reducing costs by doing a lot less printing and a lot more online documents. However, he continued, it is important to compile the Annual Report to reflect our progress and that there is value in having some printed materials to go into the hands of people who can make decisions to keep the Partnership viable. GVC doesn't have funds to pay for this but, as noted, there is the possibility of sponsorship. Mr. Hosley continued that page 34 of the Board packet provides an accurate assessment of costs; what is needed to keep it going.

Mr. Weber thanked Mr. Dozier for his introduction and update and provided clarification on funding; when Mr. Dozier speaks about no funding, he means no state funding. Governor Schwarzenegger did put in a \$2 million request last year that went to conference and got zeroed out with a number of other things. The Partnership is working to get that budget restored. In the meantime, the worst case scenario is to get no funding in the next fiscal year. However, what the Governor did do is sign a new Executive Order that has no expiration date so the Partnership is here for the duration.

Mr. Weber continued; Dr. John Welty is making available money and office space; California State University, Fresno is really enabling the Partnership to stay afloat. As Mr. Dozier made reference, we have asked Mayor Swearingin if the City of Fresno can cover the bare financial bones starting July 1. The request has not gone to the City Council, but we are hopeful that will happen. Beyond that is the deficit Mr. Dozier spoke about which we working with the COGs to help fund

Christine Nutting updated the board on the pending appointments which have been made official by the Governor's office. The current action before the Board is confirmation of appointment to Ray Watson to the Executive Committee. Ms. D'Adamo moved to approve Mr. Watson's appointment which was seconded by several other members simultaneously.

Ms. Nutting thanked Mayor Swearingin and Kelli Furtado for their engagement and support during the transition of Secretariat Leadership, with special thanks to Ms. Furtado.

IV. Priority Work Group Updates

Water Quality, Supply and Reliability: Mr. Chrisman opened the discussion with a reminder to the group that since Governor Schwarzenegger's election in 2003, one of his primary objectives has been to address the issue(s) of water in California, a process and discussion ongoing since mid-2006. There are significant issues regarding water and population growth (close to 38 million people). In Sept 2006, the governor issued an Executive Order [S-17-06] that laid out an intensive public process, established the Delta Vision and Blue Ribbon Task Force effort, and set up a Cabinet Committee through the Partnership <http://gov.ca.gov/executive-order/4525/>.

The Sacramento-San Joaquin Delta (Delta) is the largest estuary on the coast, subscribed to by agricultural, industrial and municipal. The generally agreed upon thesis that the Delta as it's currently used is not sustainable. Five counties surround Delta and depend on it and there is a vibrant agricultural industry associated with the Delta. Gov. Arnold Schwarzenegger's Delta Vision process concluded at the end of 2008, a little more than two years after it began, with a suite of strategic recommendations for long-term, sustainable management of the Sacramento-San Joaquin Delta which supports approximately 25 million people and more than 750 species of flora and fauna.

For its Final Report, and subsequent Strategic Plan and implementation strategies, the Task Force received significant public input (<http://deltavision.ca.gov/>). The legislature has become actively involved in the process discussion of water development and management in the state. Of significant importance is that the cabinet committee agreed with most of the Task Force recommendations, taking exception to the discussion regarding governance and the proposal for a whole new level of governance structure. The Partnership is initiating conversations with legislators about that topic. The teaming of Jim Tischer and Sarge Green of the California Water Institute and the Partnership with the legislature is going to be critical in moving forward. The time to support the Delta is now with critical issues of conveyance, storage and ecosystems at stake.

Mr. Watson reiterated the Partnership's commitment and responsibility to assemble Integrated Regional Water Management Plans (IRWMP) for the eight San Joaquin Valley counties. This is a benchmark meeting; the Water Work Group, starting with a template designed by the Department of Water Resources (DWR), has developed a template and method for gathering and assembling input from communities to be integrated into a statewide water management plan to address water supply, storage, conveyance, quality, flood control, conservation and management. The work group provided a list and then an analysis of the various sources and uses of water (see App II in the water section).

A fundamental point is the need to increase conservation; the formula that determines how a particular community is getting its water and using it must change. Integrated regional plans are necessary to ensure we have the water we need as the population grows. The IRWMPs include consideration for rural communities with deteriorating systems; those with increasing salinity, arsenic, etc. The outcome of this analysis will be proposed systems and projects. Kern County has over 40 agencies and political entities involved in process alone. As the different IRWMPs conclude their analysis, one of the results will be a difference in opinion on how to solve the problem. That is when the Work Group will get involved in the discussions and negotiations, with emphasis that conservation and reclamation is an important part of project. The Delta provides 25-35% of water for about 75% of the state population. Mr. Watson indicated the Work Group's intention to present today a resolution for approval of the IRWMP template; however, there are some questions that remain from San Joaquin County which need to be resolved. The Work Group committed in the beginning that all we do must be unanimous so proposed a side bar meeting later today with hopes of returning with a proposal that all can support.

Mr. Watson thanked David Zoldoske, Jim Tischer and Sarge Green and for their dedication and hard work. Mr. Watson further acknowledge the work of Gene Voiland whose many meetings with the technical group involved hundreds of hours in discussing and negotiating the many technical and controversial issues involved; the work wouldn't be this far without people like Gene.

Ms. Swearingen commented on her involvement with this work group; it has been inspirational to see how the group has gone about resolving some of the longstanding issues. Ms. Swearingen asked for a framing of concerns from San Joaquin County. Mr. Watson deferred to Mr. Ornellas for a summary of those issues. Mr. Ornellas thanked the Board for the opportunity to speak and deferred his comments until the side bar meeting had been concluded.

Mr. Chrisman commented that the Board ought to have a general conversation at some point but agreed it can happen at a later time.

Sarge Green and Jim Tischer presented an update on Delta and Valley water conditions and explained the need and purpose of the framework report:

- Develop a common Valleywide organizational/data tool from which to develop local water resources management strategies.
- Leverage IRWMPs and local strategy implementation into regional, state and federal investments into a full San Joaquin Valley Water Management Plan.
- Identify example integration strategies that need early adoption. Outline important aspects of the report. DWR slide showing shortage conditions across the state. On March 4, 2009, 84%, 77% and 83% of average snowpack; reservoirs that serve the West Valley are in bad shape although some local areas doing okay for water. Recommended integration strategies include rural water system improvement and groundwater recharge area protection.

An adaptive strategy is needed to address water crises, such as the instant drought year. This is a difficult subject to deal with; the Water Policy Work Group and Board Members Voiland, Watson and Ornellas are working hard to address and mitigate.

Synergies are being developed across areas, an example of which is water quality in Tulare County becoming compromised so Alta Irrigation District is developing a backbone pipeline to serve communities with surface water rather than aquifers.

Sarge Green provided an ARC GIS demonstration of groundwater data mapping including a depth to groundwater perspective. Mr. Green pointed out the mapping of all high recharge areas (sandy, easily percolated.) There is a need for strategies to integrate those recharge areas with land use, Blueprint and other planning; it is critical to maintain the ability to optimally recharge through that ground. Kern County is very active in groundwater banking with some already in place. Western groundwater is too saline for use although there are initiatives emerging to address this. When asked if the water in the saline aquifer is due to incursion of the ocean, Mr. Green responded yes, and said the water is also highly calcified which compromises desalination efforts such as reverse osmosis.
www.californiawater.org/SJVRWPdoc/SJVRWP_Framework.pdf

Mr. Chrisman inquired about origination of the IRWMP program. Mr. Green responded that it started in 2000-2001. With federal and state agencies working on water, there was a need to develop local water group based integrated RWMPs. Mr. Chrisman commented that as a result of that program, the 2005 water plan itself has IRWMPs as an integral part of that effort. For the first time, a water plan has a 20 year prospective look at water needs; this provides the greatest opportunities to increase supplies through local optimization

Ms. D'Adamo remarked that even when the plans are not required, project proposals that are part of the plan are much more attractive to the appropriators and agencies to fund. The water supply chart is not just about the water supply, it's also about the change in regulations and court decisions that impact our ability to move the water around; moving water south through Delta has become much more challenging due to new regulations and court decisions. A recent UC Davis study assigned a dollar amount to drought conditions; a zero or near-zero supply (which is what we have) translates to 80,000 job losses in the Valley, statewide 90,000 jobs. The aggregate result is a \$2.2 billion impact to California; more than the losses of General Motors, Chrysler and Ford combined.

Mr. Chrisman noted that this time last year water supplies were at 114%; this year supplies are 83% of normal and the governor has declared state of water emergency. Mr. Parra asked, compared to other regions in the state, how do we stack up in our level of preparedness and what are the ramifications of that? Mr. Chrisman responded that Southern California is better prepared with well established desalination plants and additional conservation. Although urban areas in the state need to do a better job of water conservation, we in the rural communities have some catching up to do this is why the big push.

Ms. Tuck's feedback is the document is complete and comprehensive; as communities and farmers have to pump the groundwater, the quality of that groundwater will become a bigger and bigger issue. Mr. Chrisman: in summary, we need to work aggressively at the local and regional level with the state and federal governments. The IRWMP is the hub of the wheel of water management in the state; funding is "leveraged dollars", in order for any effort to compete for the funds, it must provide value-add.

Mr. Jackson asked for status on the local water districts. Mr. Green responded that regional districts are supporting the advisory group, and organizational board members are providing input to the regional plans as well as IRWMPs. Mr. Jackson further asked if Modesto, Turlock and Oakdale are involved in the discussions; Mr. Green commented that those folks are certainly aware of the process although the work group may need to do a better job of integrating them into the process.

Jennifer Smith, UC Merced, asked if there are discussions on alternative technologies such as atmospheric water generators. Mr. Green responded that atmospheric water generators are a cold plate technology, making them inefficient in the Valley's low humidity climate. Atmospheric water generators extract water directly from the air. That requires high humidity or water saturation in the atmosphere. Winter fog in the Valley is possible but unlikely due to the energy input/return ratio; coastal areas are more feasible.

Mr. Chrisman asked what additional technologies and conservation innovations are being considered. The only way we've created any water in the last 10 years is because of storage; conservation has mitigated use. Micro and drip irrigation conservation dollars and gallon usage numbers are difficult to assess or

calculate. There is certainly linkage between money and water conservation, possibly the stimulus package may include funding to support conservation efforts.

Mr. Green interjected that the only water we have “created” has been water that has been through conservation; we actually have less surface water. The Water Work Group is assessing other technologies; this is a high priority for the congressional delegation as well. In the stimulus package, we are hopeful the City of Fresno will receive funding for installation of water meters.

Mr. Weber advised that the Valley is recognized as one of three leading water technology centers of the world, along with Israel and Australia. Products such as PureSense (<http://www.puresense.com/>) enables through measurement devices to determine how much water is needed at various stages of its growth, then automatically sends that specific amount of water to that root at that time.

Mr. Watson summarized the IRWMP discussion, reminding the Board that the IRWMP effort in the Valley does not have the authority to require anybody to be a part of a water management plan. The Water Work Group has conducted extensive outreach to all the counties, many of whom have elected officials on this Board. Mr. Watson asked those officials to return to their communities and encourage them to participate in IRWMP process to ensure funding and support; it’s a mechanism to ensure they’re using resources wisely in a plan that works for everyone

Mr. Ornellas reminded the Board that one-third of San Joaquin County is water with major rivers flowing in and through it. Our challenge is in protecting the Delta, water rights and San Joaquin County while sharing the resource. “How can we do this together”? The Delta is not just an estuary, it is vital to the state with transit for two highways, PG&E major gas and power lines, Hetch Hetchy and the largest inland port on the west coast at Stockton. Captain John C. Fremont, for whom the East Bay community is named (1830-40s), wanted to travel to the Sierras but could not get across what is now the San Joaquin Valley, because of the spring water flow that had flooded the Valley. Captain Fremont had to travel south around Tulare and back up to the Sierras. That flooding was the source of the aquifer storage that exists now and its recharge is a big deal because our development of dams and levees in subsequent decades has virtually eliminated that scale of flood recharge.

Mr. Chrisman noted that the other influence over water availability is climate change. Most climate models are now suggesting a 30-70% reduction in the Sierra snow pack over the next 100 years.

The Water Work Group convened over the lunch break for separate discussion; Mr. Watson presented an update on that discussion from which the Water Work Group will undertake the following steps:

- o Redraft the water resolution to emphasize that it is a template, a framework, not a plan and that it is not intended to take a position on alternative conveyance in the Delta.
- o Redesignate the Valley framework as an Interregional Framework instead as a Valley framework and recirculate the redraft by end of month.
- o Continue with water technical meetings and try to deal with pending issues such as water conveyance.

Mr. Jackson commented that water is a highly complex issue. San Joaquin County has 3-4 very distinct areas of interest yet can come together in consensus; he is confident the Water Work Group will be able to as well. It is important the constituents don’t harm each other or become boxed into a position; San Joaquin County is opposed to the peripheral canal until all other avenues have been exhausted.

Regional Economic Recovery Work Plan: Ms. Nicole Parra introduced the Regional Economic Recovery Work Plan (RERWP) effort in which Secretary Bonner, Business, Transportation and Housing Agency (BTH), is taking the lead to create a comprehensive list of projects that may benefit from American Reinvestment & Recover Act (ARRA) stimulus money. Ms. Parra thanked Mike Dozier, Katie Stevens and Christine Nutting for their prompt and effective response to the request for this effort. On February 9, 2009, Secretary Bonner sent out numerous letters to ED stakeholders in California to advise them of the Recovery Work Plans he asked every region to prepare in advance of the ARRA (stimulus package) being signed. A week following the Secretary’s letter, on the BTH Web site came suggested guidelines and later templates the regions were asked to follow in order to submit projects. BTH divided the state following the 12 Caltrans zones and assigned a staffer to provide support for each zone. The Partnership, led by Mr. Dozier, is the lead organizer in the San Joaquin Valley with Nicole Parra of BTH providing staff support to the three counties in zone 10 and remainder in zone 6.

The Partnership is setting up workshops to get the information and process out to the eight Valley counties, the first of which was held last week at the Fresno Council of Governments offices. Placing projects on this list is not an application for funding but is an insurance policy through the Partnership; ensuring the respective cabinet secretaries and their staff have visibility to those projects. A number of federal agencies have done a good job of posting funding allocations, for example the Department of Transportation, with Caltrans getting 70% of the monies formula funding and competitive grants are the types of monies (30% of Trans, 25% of HCD) that will be available. In addition to formula money there are also competitive grants as examples of the types of money we will be going after as well as money tagged for rural areas (USDA and HCD). The Partnership has compiled a comprehensive list of competitive sources of funding and has a one-page document on how to submit projects through process.

Ms. Parra referred to the Partnership's Web site for reference materials and a list of ARRA competitive sources of funding. http://www.sjvpartnership.org/static_pages.php?static_page_id=14&mn_id=67

Mr. Dozier equated this effort to a 10-page term paper due in two weeks. The 10 Partnership work groups give us a tremendous advantage in ensuring a comprehensive and meaningful list.

Mr. Saldana observed from an overall economic development (ED) process, this list connects local with statewide ED initiatives and vision. Participation in this exercise gives the participants an opportunity to demonstrate to the Secretary that the local agencies are working collaboratively to showcase local needs and initiatives and solicit state engagement.

Mr. Tischer asked if there is an opt-out provision for any county or agency. Ms. Parra responded that those who elect not to participate may do so, but a lot of attention will be paid to the integrated work plans because of our direct and intense knowledge of the local and regional needs.

Mr. Rowe commented that there are other efforts to compile the same kinds of requests and asked who ultimately decides which requests go to the Feds. Ms. Parra responded that the Federal Agency (Region IX) directors will verify the projects. This compilation of projects gives the California Business, Transportation and Housing (BTH) Agency and the rest of the state an opportunity to demonstrate to the federal government the need for even more funding.

Mr. Rowe asked what role the work groups will play in this effort. Mr. Dozier replied that the Secretariat staff will accumulate the projects into a comprehensive list; the work groups will verify that the projects comply with BTH standards (e.g. Group A – 120 days; B – 12-24 months; C – mortgage crisis and small business issues) and are valid. Mr. Dozier counseled all participants to include a narrative about what should be included in the plan.

Mr. Saldana reiterated his earlier point that this process does not change the process for federal grants but is a way to ensure visibility to and support for the projects at the state level.

Mr. Weber pointed out that the Partnership has not been asked to do any prioritization of projects. The individual jurisdictions may submit their own priorities (this is recommended) .

Ms. D'Adamo asked Nicole Parra to provide a list of those areas committed to this process; we can influence those that are not committed to become a part of it. Ms. Parra responded that no county has indicated unwillingness to participate; there are non-profits and community organizations that also want to participate. They will be allowed to do so but are encouraging them to try to work through their county. If the county demurs, the entities will be allowed to submit directly. Ms. D'Adamo asked Katie Stevens to provide the RERWP information for the Legislative Staff Work Group (completed March 13, 2009).

Mr. Dozier advised the Board that the Draft plan will be posted to the Partnership Web site on April 1, 2009. (http://www.sjvpartnership.org/static_pages.php?static_page_id=15&mn_id=68)

Seed Grant Reports Mr. Dozier provided a final summary of the 14 seed grants. Mr. Weber commended the work groups for their extraordinary accomplishments, leveraging the \$2.5 million in Partnership grants to nearly double that value.

Priority Work Group Updates Mr. Chesley referred to the Transportation tab in the Board binder which addresses goal 5 and goal 10 for the Transportation Work Group. Activities continue in support of High Speed Rail (HSR) development in the Altamont pass; with the High Speed Rail Authority (Authority) undertaking a number of environmental assessments around the Valley. There are a number of meetings

and hearings by HSRA for Pacheco Pass, the ongoing effort on Merced to Bakersfield segment, and a preliminary study on the Fresno to Sacramento segment as well as an environmental process on “higher speed” rail through the Altamont pass. The focus is to connect San Jose with Stockton and segments across the Valley floor to connect to HSR. This Board previously recommended HSR to select both Altamont and Pacheco passes to ensure all segments of the Valley end up being served.

The Authority acknowledged that both the Pacheco and Altamont routes needed to be developed to serve needs of the state. HSRA adopted Pacheco as the sole route, but identified that higher speed rail should be serviced along Altamont Route. Working with the Authority, the idea developed to form an Altamont Pass working group comprising Authority, Sacramento related interests (Capitol Corridors), Stanislaus COG and San Joaquin COGS, Altamont Commuter Express, Tri-Valley Policy Commission, BART, MTC and Alameda Congestion Management Agency. All have the interest and ability to provide approvals and potential funding for this project. While not a formalized committee, this is a working group that meets on a monthly basis and has moved this project along much farther than would otherwise be expected. The project will ultimately include branch service to HSR as well as connections to BART at Pleasanton and most likely Fremont with future Dumbarton service. The key component is that this alignment will occur along separate dedicated trackage for this service. The Altamont pass is the main corridor in and out of the San Joaquin Valley and traditionally carries higher traffic than Highway 99 to the Bay Area.

Mr. Chesley continued his update by noting that HSRA was successful in passing Prop 1A (<http://www.cahighspeedrail.ca.gov/faqs/proposition-1a.htm>). High Speed Rail is caught up in state budget process; bonds will not be issued in the immediate term so HSRA has had to stop a number of projects. The economic stimulus package offers great opportunities for HSR through the \$8 billion identified in support of HSR and intercity rail. They are looking for projects right now so HSRA is looking for places where alignment will be, i.e. grade separation projects. Economic Stimulus funding is targeted to capital projects, not rights-of-way acquisition. Grade separation projects are better options. Mr. Chesley encouraged COG Directors to also look for areas that can connect; the SJCOG has sales tax revenue that can be used for rights of way needed for HSR.

Benefits of HSR to the Valley:

- o Improved rail service to support Stockton to San Jose – somewhere in the 100-140 mph range on separate trackage
- o Branch service to HSR to Stockton and Modesto
- o Intermodal connections to BART (Pleasanton and Fremont)
- o Includes connection to the future Dumbarton rail service
- o Intermodal connection to the SJ light rail
- o This alternative mode of transportation has the potential to reduce traffic on the Altamont pass by 180,000-220,000 vehicles per day

Next steps:

- o Next Steps for Altamont HSR include development of MOUs with regional partners (HSRA, SJCOG, and Altamont Commuter Express), identifying the public outreach and environmental clearance processes and providing input to BART for Livermore involvement. Future success of transportation connections for the SJV is contingent upon building good long-term partnerships with other regions and entities; the trade corridor investment fund is a demonstration of the success of a good strong coalition.
- o Pursue federal partnership (new administration is supportive w/potential \$)
- o Identified local outreach process to develop coalition of supporters and investors
- o Identify environmental resources
- o Provide input to BART for Tri-valley connection

Mr. Chrisman asked the role of the Federal Railroad Administration (FRA) and whether it was involved in any of the decision making process. Mr. Chesley responded that the FRA is typically involved in issues of rail safety and national rail transportation policy. (<http://www.fra.dot.gov/us/content/2>)

Air Quality Mr. Weber opened the update on Air Quality by providing a brief historical recap. Originally convened in December 2005, this group brought together a diverse assemblage that has gelled nicely; all agree on the sources of the problems and agree on 95% of the solutions. The remaining 5% take up the majority of their time, working together on regulation, incentive funding sources, education programs and specific projects in environmental justice communities. The Air Quality group’s efforts are on cleaning the air without doing irreparable damage to the economy in the process. Mr. Weber noted there is no “silver bullet” for clean air; and eventually will have to address all sources although at present mobile sources are the single largest source of particle and NOx pollution. The technology exists to make major improvements, the

problem is affordability; the solution is to find compliance assistant funding. Recent California Air Resources Board (CARB) rulings, the Truck Rule and AB 32, in combination have significant cost implications for truckers in the Valley. Mr. Weber extended kudos to Secretary Linda Adams and Deputy Secretary Cindy Tuck for their support in modifications to the truck rule.

As of the time the rule was passed, all twelve of the surveyed participants indicated this ruling will cause them to significantly change their operations. One case in particular, a fleet in operation since 1932, had previously determined they will have to reduce the fleet from 27 to 22 trucks and use the sale value of the older trucks to do fleet replacement. In addition, they will have to go from a rate increase of 3.4% per year over the last 15 years to a rate increase of 8.5%. If the market won't accept that increase, they're out of business. In early March this same company realized they'll have to reduce the fleet to 18 trucks and defer some of the early purchases they thought they could make due to current economic influences. The company simply can't get the loans to support the differential between compliance assistance funding and the purchase price of new vehicles.

Mr. Weber continued his update with the comment that the Air Quality Work Group has a coalition in the environmental community and is working to get as much compliance funding as possible. Proposition 1B resulted in \$250 million allocated to the Valley over 4 years with a first increment of \$55 million. \$50 million was allocated and spent for early starts; the Air District then sent a letter to hold off further spending, the balance is still not received. There is \$140 million in applications remaining against that first increment. The Indirect Source Rule is a big victory for the Air Quality District by requiring mitigation funds from developers for sprawl. This is a good source of funding for projects but at present there is almost no development under way.

AB 2522 – Arambula – This bill called for the Valley to have discretion in raising its vehicle registration fees by as much as \$24 per vehicle per year on top of any state budget DMV fee increases. AB2522 has the potential to raise as much as \$60 million per year but given the state budget increase of DMV fees it is unclear if, or by how much, AB2522 will be invoked.

At the federal level there is \$7.5 million earmarked for air quality mitigation, especially diesel equipment emissions. The Diesel Emissions Reduction Act (DERA) has been authorized at \$200 million/year but was never appropriated at full authorization. The ARRA stimulus package allocates \$300 million for DERA, 30% is formula allocated to 50 states with the rest competitive. Region IX will receive about \$26 million and the maximum allowable grant request is \$10 million.

Mr. Weber thanked Ms. D'Adamo and Congressman Cardoza for leading the effort to include EQIP program funding in the Farm Bill, special treatment for agriculture that will generate \$10 million a year for four years, of which the Valley gets about \$11 mil/year.

Mark Keppler announced that the Tune In/Tune Up program received an Environmental Justice award for its efforts to create a significant improvement in the valley's air quality.

Ms. Tuck thanked Ms. D'Adamo for her efforts on behalf of the truck rule and clarified Mr. Weber's comment about "special treatment for agriculture". Ms. Tuck, Secretary Adams and Ms. D'Adamo encouraged agriculture leaders to start a process where they would meet regularly with ARB staff and show how agriculture trucks are different. They took the time, brought in data, and through fact-based discussion illustrated how farm operations differ from traditional fleet operations. Ms. Tuck expressed her pride in how effectively agriculture worked with the ARB to reach an equitable solution.

UC Merced Medical School Ms. D'Adamo introduced Bryn Forhan and Larry Salinas and provided the following historical recap of the UC Merced Medical School initiative.

In May 2008 the University Of California Board Of Regents endorsed continued planning for the UCM Medical School. Congressmen Cardoza and Costa sought a broad base of support across the Valley to encourage policy makers to support funding for the UCM Medical School; from this effort came the Valley Coalition for UC Merced Medical School. The Valley Coalition is committed to bringing a UC medical school to the San Joaquin Valley that will serve the region by increasing the number of physicians practicing in the area, expanding higher education opportunities for Valley students and serving as an economic engine. The Coalition is chaired by Bill Lyons, Jr. (former secretary of the California Department of Food and Agriculture) and Bryn Forhan. The UC Regents endorsed continued planning for a UCM School of Medicine, and in Fall of 2008, UCM contracted out with Washington Advisory Group (WAG) to assist evaluation of the school's planning efforts to establish the new medical school. WAG submitted recommendations UCM and the UC

Regents have provided for an adjustment to the previous plan. These recommendations included in the Board packets.

The WAG recommendations are advisory and offers suggestions for continued planning and options for development of a medical education program that ultimately leads to a fully-independent School for Medicine at UC Merced. The main recommendation: postpone for a year bringing the proposal back to the Regents; to allow for further development. However, the commitment to instituting a medical school at UC Merced remains undiminished. Further recommendations include a 3-phase proposal:

- o Phase 1 – Develop, as early as 2010, a pre-medical bachelor's degree at UCM to help bolster development of existing programs and provide an academic "edge".
- o Phase 2 – Develop, as early as 2012, a branch campus medical school between UC Merced and UC Davis.
- o Phase 3 – Develop, by 2020, a fully independent medical school at UC Merced under a distributive model using campus for the first 2 years with clinical practice in regional settings.

The Valley Coalition endorsed the WAG report with several changes:

- o For Phase 2, incorporate the existing medical education program at UCSF-Fresno and other Valley locations; the Coalition believes that some or all of those training needs should be met in the Valley.
- o Accelerate Phase 3; bring the full-fledged medical school to the Valley no later than 2015.
- o Ensure that research is a key component of the school
- o Urging the President to provide support and funding for all three phases.
- o On February 19, 2009, the Valley Coalition unanimously adopted a resolution supporting the three-phased plan (copy included in the Board packaged).

Mr. Weber acknowledged the support and hard work of Fred Ruiz, Luisa Medina, Michael Navarro and David Quackenbush and proposed the same resolution for the Partnership to adopt. The motion to approve was deferred pending detailed discussion.

Ms. Forhan thanked the Partnership for its support and noted that the UC Merced Medical School is important to the Valley. On February 19 the Valley Coalition received a Cal Endowment grant of \$147,000 to outreach to the eight counties (plus Mariposa for 9 counties). The effort will involve a county-by-county outreach to local communities, elected officials, community based organizations and local providers to educate the public and increase awareness of the project and its importance to the Valley, thus gathering support. This outreach will help inform the planning process of challenges and information and will bring the Valley together in pursuit of a common goal.

Larry Salinas stated that the cost of a new medical school is a shared responsibility between public and private entities, requiring state, university and public support. The Valley Coalition's efforts are critical to success of the internal efforts and underscore the importance of the work. Mr. Salinas announced the medical school leadership transition from Dr. Maria Pallavicini to Dr. Fred Meyers, head of internal medicine at UC Davis. Dr. Meyers is already doing aggressive outreach working with physicians, medical societies and communities. Dr. Meyers is also working with the UC Office of the President (UCOP) to develop a clear and concise timeline and strategic plan. There are ongoing discussions between UC Davis, UC Merced and UCSF-Fresno on curriculum, research and long-term development of a health sciences institute.

One benefit to partnering with UC Davis is its existing accreditation as a medical school which supports accelerated development of the UCMMS. There is an ongoing discussion about the "where" of the distributed model and research facilities. UC Merced is developing biomedical facilities but they may not be complete in time to meet the recommended time line.

Mr. Salinas further commented that the UC campus at Merced from conception to opening was a 17 year project; it must not take that long for the UCM MS. 48.5% of all students enrolled in UCM are the first in their family to attend college. In May the first four-year class will graduate from UC Merced; two graduates have been selected to attend medical school (1-UCSF and 1 in Florida). That's the return on the investment in a short period of time.

Mr. Quackenbush commented that we need to keep our students here in the Valley or have them come back after they attend college. Medical students tend to stay where they're educated. If we train them here, they're more likely to stay, which will help overcome the health professional shortage across the Valley. The

intent of the distributive model is to have local and regional healthcare agencies involved in the training and delivery, not just create a Taj Mahal medical school. Mr. Quackenbush noted the Valley must keep the pressure on the UC Regents. Mr. Quackenbush noted an April 21 Legislative reception in Sacramento and asked for a Partnership contingent to support. Mr. Quackenbush provided a Save the Date flyer, an electronic copy of which will be sent out to the Partnership list.

Dr. Gornick commented that the UC Merced Medical School is long overdue; the unique approach to the distributed model is commendable. This is a great opportunity to link with the Central Valley Educational Leadership Institute (CVELI) to develop the link between local education, community college and UC Merced. Dr. Gornick suggested adding language to the Partnership resolution in Phase 1 articulating the linkage between community colleges and UC Merced, and be inserted as item three, shifting the next two items to four and five respectively. Following open discussion about this verbiage it was agreed to amend the draft to include the following language as item 3: *"Working with the Central Valley Higher Education Consortium, establish a fully articulated undergraduate health sciences program with the community colleges of the San Joaquin Valley"*.

Ms. D'Adamo noted the draft resolution for the Partnership was missing a section of verbiage and proposed correcting it to incorporate the bullets and the language suggested by Dr. Gornick. Ms. Swearingin moved adopting a resolution with the corrections noted by Ms. D'Adamo; Ms. Medina and Mr. Quackenbush seconded the motion.

California Forward Mr. Weber announced that several members of the Partnership Board also sit on the board of California Forward (CA Forward) so his presentation today was twofold: to tell a little about the organization and to introduce one specific initiative CA Forward is trying to advance. CA Forward is a bipartisan, public interest group whose objective is to plan and implement reforms in how public decisions are made and how public dollars are spent. Co-chaired by Thomas McKernan and Robert Hertzberg who replaced Leon Panetta, the fourteen-member board is very diverse. The initial \$15 million in funding came from five foundations: The California Endowment, The Evelyn and Walter Haas Jr. Fund, The William and Flora Hewlett Foundation, The James Irvine Foundation, and The David and Lucile Packard Foundation. CA Forward's Executive Director is Jim Meyer, a former director for Little Hoover Commission. <http://www.caforward.org/>

Mr. Weber's slide presentation demonstrated that California is more dependent on income and sales tax and less dependent on property tax than most states across the nation. This year for the first year since 1932, California will experience a decrease in property tax revenues that will continue to decline for next 2-3 years. The goal of California Forward is to contribute to improving the quality of life for all Californians by creating more responsive, representative and cost-effective government; the slides explained CA Forward's proposal for a regional economic governance model.

Mr. Chrisman commented that this demonstrates a critical effort to affect the governance structure and is impressive by its depth and breadth and asked how CA Forward proposed to move the effort forward.

Mr. Bigelow asked if this topic falls into the discussion of MPO's (Metropolitan Planning Organizations) and possibly step on the toes of local government. Mr. Weber responded that this is complimentary to SB 375 (SB 375 provides incentives for creating attractive, walk able and sustainable communities and revitalizing existing communities); it will be a long time before regional governance could usurp local rights. CA Forward proposes to create a collaborative umbrella around the entire spectrum of community interests.

Mr. Weber continued there has been an effort by Association of Bay Area Governments (ABAG) to advocate for a constitutional convention; the Governor is supporting the idea. The two are not mutually exclusive ideas or paths but CA Forward's proposal does not require constitutional amendment and can continue to make progress on a project by project basis.

Secretary Kawamura observed that about 10 years ago California had the 5th largest economy on the planet; now it's 7th or 8th; we certainly aren't moving forward now. It is advisable to converge toward a vision of where we want to go rather than move in parallel paths.

Mr. Weber closed with the comment that the week of March 16 CA Forward is meeting with Secretary Vickie Bradshaw to seek alignment and solicit comments.

V. Public Comment

No comments received from the public.

VI. Adjournment

The next regularly scheduled board meeting of the Partnership is scheduled for June 12, 2009, in Modesto, Stanislaus County. Chair Chrisman provided closing remarks and at 3:24pm adjourned the board meeting of the California Partnership for the San Joaquin Valley.