



Board of Directors Meeting

Friday, December 9, 2011

11 a.m. to 4 p.m.

eCademy Charter at Crane School

1100 Cahill Avenue

Turlock, CA 95380

Room: Professional Development Center

MEETING MINUTES

I. Convene Meeting and Introductory Remarks

The meeting of the California Partnership for the San Joaquin Valley (Partnership) was called to order at 11:04 AM by Deputy Chair Diana Dooley who welcomed Partnership Board members and guests and initiated introductions around the table. Board members present included James Aleru, Victoria Bradshaw, Judy Case, Vito Chiesa, DeeDee D'Adamo, Randy Dodd, Secretary Diana Dooley, Mike Dozier, Benjamin Duran, Pat Gordon, Fritz Grupe (Advisory Committee), Undersecretary Doug Hoffner, Blake Konczal, Sunne McPeak, Luisa Medina, Steven Nelsen, David Nelson, Joe Oliveira, Leroy Ornellas, Paul Saldaña, Ted Smalley and Pete Weber.

II. Recognition of our Sponsors

Members of the audience introduced themselves after which the Chair thanked the sponsors of the Board meeting; Dr. Sonny Da Marto, Turlock Unified School District and Supervisor Vito Chiesa.

Dr. Da Marto warmly welcomed the Partnership to Turlock and to the meeting facility, the newly opened eCademy Charter site. Previously home to Crane Kindergarten which was closed due to budget constraints, the eCademy Charter at Crane School is Turlock Unified School District's new K-12 Home School program, along with a 7-12 Independent Study program and 9-12 Online Distance Learning and Credit Recovery programs. The Professional Development Center is the primary home to the Turlock Unified School District's Board of Trustees' Meetings.

Approximately \$1,254,500 of Measure Z bond funds and Developer Fees were used to fund the project and the eCademy Charter at Crane officially opened as of August 2011. The Charter is committed to providing high tech instruction, cutting edge programs, viable and attractive educational experience with high expectations and values, and meets the needs of non-traditional students. Through a grant from AT&T each student receives a school-provided netbook for all to have access to online teachers and support. Each of the programs offered has the option to do course work on site at the eCademy Charter or

through the online services supported by e2020. The virtual classroom solutions offered by e2020 provide an alternative for disadvantaged, at-risk, medically challenged and drop-out as well as accelerated students to learn at their own pace to recover credits and achieve academic success. Instructional guidance is provided by an assigned certified teacher to provide an individualized program to best meet the student's needs.

Mayor John Lazar welcomed the Board to Turlock echoing Dr. Da Marto's pleasure at being host to the Partnership. Mayor Lazar provided a brief overview of the city's history, and highlighted several economic development successes. The City Council and Turlock Chamber of Commerce created a business partnership incentive program that provided cash to any business that opened in an unoccupied building. Eight small businesses have so far used the program, creating 26 new jobs in the process. Blue Diamond Growers has purchased 88 acres in the Turlock Regional Industrial Park and will begin construction on a state of the art almond processing facility. Using redevelopment funds, Turlock completed a multimillion dollar infrastructure project in the Turlock Regional Industrial Park, installing sewer and water lines and improving roads ahead of future development. Mayor Lazar noted that the Blue Diamond experience demonstrated the importance of having shovel ready industrial land.

III. Public and Board Comment

The Chair invited public comments; there were none.

IV. Review and Approval of Minutes

Mr. Saldaña moved to approve the minutes as provided and was seconded by Ms. D'Adamo.

V. California Forward - Resolution

Mr. Weber introduced Mr. James Mayer, Executive Director of California Forward¹, who provided an overview of the California Forward vision and initiative.

Mr. Weber then opened the discussion stating the mission of California Forward: "...to work with Californians to help create a "smart" government – one that is small enough to listen, big enough to tackle real problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results."

Building on the information session held immediately prior to the Board meeting, Mr. Weber reminded the group that this is a non-partisan organization which includes a wide spectrum of members. Unlike other measures being discussed or potentially on the ballot, there is no new revenue component in the measure supported by California Forward. This proposal is the long term solution needed by the state beyond the current short-term needs. Although

¹ <http://www.cafwd.org/>

the Partnership agenda states this to be an action item on endorsing the measure, the timing of the Governor's announcement last Monday suggests we allow more time between now and the time the Board decides on whether to take an endorsement positions. Mr. Weber announced that the intent today is to ask for a sense of the how the Board feels about the matter, and then defer to the Executive Committee the decision on when to act. Endorsement by the Partnership is important; California Forward sees the Partnership as the best example in the state of jurisdictions working together to reach common goals. Mr. Weber stated that in the interest of full disclosure, he and Ms. McPeak also sit on the Board of California Forward as does former Board member Gene Voiland.

Mr. Saldaña stated this effort is impressive at getting to the core of what ails California and speaks to the heart of the citizens of the state. Many areas in the proposal seem well thought out and will work well but there are some things that may be debatable depending on the upcoming campaigns. Mr. Saldaña expressed an underlying concern that goes back to establishment of the Partnership which was brought together to address the socio-economic situation of the Valley; the Strategic Action Proposal (SAP) specifically addresses those issues. The Partnership's work to date has been able to address some impressive issues by working together; Mr. Saldaña commented that getting into the political realm could potentially compromise the Partnership's integrity and credibility with those stakeholders with whom we have worked so successfully. The base question is, should the Partnership take action to be involved in a political process and political campaign.

Mr. Weber interject there is lots of precedent for the Partnership weighing in on bipartisan issues; Ms. Dooley asked if it is reasonable to expect all the other initiatives to come to the Board for endorsement.

Ms. D'Adamo commented that those serving on behalf of the Administration ought not to be involved in the decision to support without knowing the position of the Administration.

Ms. Bradshaw noted it is probable the Administration doesn't have any position yet. Stating that historically it is found that local government works best, Ms. Bradshaw's concern is the impact of a Partnership vote during the week of the Governor's own proposal. Ms. Bradshaw concluded with the statement that the timing is premature for a Partnership endorsement of the California Forward proposal.

There ensued a spirited discussion about what endorsement by the Partnership would mean to the measure and to the Partnership.

Mr. Konczal echoed the concerns of the elected representatives; as a representative of the local Workforce Investment Board (WIB) he does not take positions on local politics and it must be clear that certain Board members will have to recuse themselves.

Mr. Chiesa stated that as a local elected he cannot support an organizational vote. He observed the absence of any Board disagreement on what California Forward wants to do,

the discussion is around the Partnership goals. Mr. Chiesa sees this as a part of convincing the public if we're asking them to pay, they need to know we're trying to fix ourselves.

Ms. McPeak announced the discussion in and of itself is about governance. The Partnership has been a trail blazing pioneering organization around governance. The Partnership has taken a position on other pending bills and legislation such as High Speed Rail, water legislation and other issues. The dynamic of the governance around the table is very important. To discuss the future governance of the state is very germane. It is necessary to figure out a better governance structure; some of those issues cannot be resolved without collaboration across jurisdictions. The Partnership has to decide if it is germane and then when and how to comment.

Mr. Grupe interjected that he is not a member of California Forward which is funded as a bipartisan group; he is not sure there is any disagreement on the definition of the problems that need to be fixed. The question is whether there a different tactic or strategy that needs to be addressed. Mr. Grupe observed he would not have a problem with raising his taxes if he was assured it would be used appropriately; it is very important that any raised taxes will be spent wisely.

Mr. Gordon suggested the Board think back on why the Partnership initially came together; separately we have a weaker voice in Sacramento and Washington than we do together. We are doing with the Partnership the same thing the California Forward initiative is proposing to do on a larger scale.

Ms. Bradshaw stated that as an individual she supports California Forward; it is an interesting, provocative, necessary proposal and is very germane to the Valley. However, she continued, as a gubernatorial appointment she does not represent that appointment on this Board. We are early in this process; we can support this short or longer term, but we don't have the entire landscape of what is going to be out there. Having not even seen the Governor's proposal yet Ms. Bradshaw cautioned that the Partnership does not need to vote immediately.

Ms. Dooley declared the question is now whether the Board wants to send this item to the Executive Committee to take action or bring back to the next whole Board assembly. Ms. Case proposed moving early with an endorsement to ensure its value. Mr. Weber proposed a middle ground; three months from now, at the next Board meeting, may be too late. Mr. Weber suggested moving the action to the Executive Committee which will determine when we have the most available information and believe it is timely. Ms. McPeak proposed support of Mr. Weber's recommendation; there was no disagreement from the Board.

VI. Regional Policy Council Update

Mr. Ishida advised the Board of the morning's Regional Policy Council (RPC) meeting and action item; to send a letter of support for the reappointment of Darius Assemi to the California Transportation Commission (CTC). The San Joaquin Valley (Valley) is working on

a goods movement program for the eight counties. CAL COG has suspended all lobbying efforts for more than 12 months due to interregional conflicts such as the container fee for traffic mitigation that didn't include funds for the Valley. CAL COG directors intend to meet to gain alignment which should lead to a more comprehensive goods movement plan statewide. Mr. Ishida and Mr. Smalley will attend the CTC meeting next week to voice concerns about Valley.

Ms. McPeak commented that a Valley-centric goods movement plan is essentially included in the statewide plan with the 99 corridor identified as one of the key North/South routes. It is important to remind the legislature that the statewide goods movement plan was approved in Sacramento and now it needs funding and expanded authority for public/private ventures.

Mr. Ishida noted that statewide goods movement plan does not include a rail component. Ms. McPeak responded that the stated preference for the statewide strategy is to move as much to rail as possible; what can't go by rail should go to trucks with dedicated roadways as soon as possible.

Mr. Weber commended Mr. Ishida and the RPC for their efforts, noting that Senator Lowenthal has tried three times to advance port fees without consideration of the Valley. The last attempt seemed to head toward including the Valley but at the last minute the Valley was dropped so Governor Schwarzenegger again vetoed the effort.

Mr. Smalley interjected that the Commissioners wanted a statewide assessment which left out Northern California, the San Joaquin Valley and the Coast. Our response is to clearly demonstrate the needs of the Valley. Along with that demonstration is the separate issue of a goods movement plan that provides significantly more detail about including rail transport in the plan. The Federal Highway Administration (FHWA) has released more detail about what an effective GMP includes².

Mr. Ishida concluded with the comment that future meetings will attempt to coordinate the RPC Partnership schedules as it is very handy to co-locate due to board member crossover.

VII. Short Haul Rail Update

Mr. Smalley reported that he had approached Rail America³ to develop a mechanism for working together on Short Haul Rail (SHR) solutions in southern end of the Valley. The Tulare County Board of Supervisors had authorized Rail America's request for tax credit for support of the line. Mr. Smalley commented that if Rail America claims credits to maintain the line, they shouldn't be allowed to abandon it. The Tulare County Association of Governments (TCAG) is asking that a 5 year plan be developed to demonstrate how the tax credits will be used with a requirement of concurrence by the local county before tax credits

² http://ops.fhwa.dot.gov/freight/technology/urban_goods/

³ <http://www.railamerica.com/RailServices/SJVR.aspx>

can be transferred out of the county. In the meantime local short haul shippers continue to be frustrated and are still being forced out of the county

Mr. Weber asked if the conversation with Rail America included the economics of the lines being abandoned; is there any indication they aren't rentable? Mr. Smalley responded that there is profitability and there is *high profitability*; Rail America is owned by a hedge fund that appears to have bought too many rail lines so their value has gone down. This same problem being seen in Illinois, and Oregon ruled they are doing such a bad job the state was able to force them out⁴.

Mr. Ishida cited the expectation that populations will expand from internal growth with a young, educated population seeking cheap home prices. There is a similar effect with business; 40% of the companies coming into the county are looking for local and cheap rail service.

Mr. Weber suggested that Mr. Dozier, Mr. Smalley and Supervisor Ishida initiate a discussion with the director of CalPers about the possibility of CalPers investment in SHR since their return requirements are significantly lower than for private investment.

VIII. Delta Counties/Partnership Water Policy - Resolution

Mr. Tischer and Mr. Green reviewed the Water Policy Work Group's activities and successes and provided an overview of the proposed resolution. Ms. D'Adamo moved to support the resolution; and was seconded by Mr. Weber. Ms. Dooley and Mr. Hoffner abstained.

Ms. D'Adamo observed that this resolution is another step in connecting the dots and highlighting the importance of regional water policy. State water policy requires regional collaboration and cooperation to generate bond funding.

Mr. Grupe and Mr. Ornellas voiced concerns that the Delta Stewardship Council may become involved in land use issues around the counties and cities. The cities of Tracy, Stockton, Lathrop and Lodi are all part of the secondary zone leading to concern about the possible impact on our land use in counties up and down the Valley. Mr. Grupe indicated there is no Board action being recommended today but given the concern in the eight counties, he asks the Board to be aware there may be a future request for the Partnership to take a position in the future.

IX. Working Lunch – High Speed Rail update

Ms. Forhan provided an update on the High Speed Rail (HSR) budget and thanked the Partnership for its continued support of the project.

⁴ <http://www.coosbayrailink.com/>

X. Stanislaus County Panel

The panel discussion included Dr. Sonny Da Marto, Turlock Unified School District; Mayor John Lazar, City of Turlock; Rick Robinson, CEO Stanislaus County and Nick Pinhey Director of Utility Planning and Projects for the City of Modesto. Mr. Pinhey's presentation introduced the East Stanislaus Regional Water Management Partnership (ESRWMP) formed in 2011 to create the East Stanislaus Integrated Regional Water Management (IRWM) planning region and begin the planning process.

Ms. D'Adamo asked Mr. Pinhey to also talk about the North Valley Regional Recycled Water program, a key project is a partnership between Turlock, Ceres and the DelPuerto water district on the west side.

Mr. Pinhey described the North Valley Regional Recycled Water Program (NVRWP) as a regional solution to address part of the continuing California water crisis by making tertiary-treated recycled water available to the drought-impacted west side of the San Joaquin Valley, south of the Delta.

Participants in the NVRWP currently includes the Cities of Modesto, Ceres, Turlock, Stanislaus County, and the Del Puerto Water District on the west side of the San Joaquin Valley. Modesto and Turlock currently produce recycled water and provide wastewater treatment for communities in Stanislaus County. The Cities of Modesto and Turlock have committed funding to the NVRWP (\$32.8 million for Modesto and \$38 million for Turlock's tertiary treatment and pipeline design).

The economic benefits of the NVRWP are substantial. The project will provide irrigation for approximately 10,966 acres of prime agricultural land with an estimated total annual income of \$29 million. The \$29 million total annual income is estimated to generate an additional \$67.5 million per year to the region's economy in indirect and induced impacts (this is based on an economic analysis completed by the University of the Pacific's Dr. Jeffrey Michael using the IMPLAN model). The five-year cumulative economic value to the region is expected to be \$206.5 million.

Ms. McPeak asked the attending mayors and city colleagues what their cities are doing to optimize water use in Stanislaus County. Mayors Lazar and Madueno stated they haven't entered into formal discussions about how all will participate in the collaborative but they intend to.

XI. Regional SB375 - Resolution

Ms. Madueno asked the Board to defer formal action on this item until the issue is taken to the San Joaquin Valley Regional Policy Council (RPC). Ms. Madueno provided an overview of SB 375, California's Sustainable Communities Planning Act⁵ and commented that this

⁵ <http://www.dot.ca.gov/hq/tpp/offices/orip/sb375.html>

resolution will start to make an impact in communities by opening up the necessary dialogue across the Valley. When asked what kind of support is being asked of the Partnership; Ms. Madueno requested general support of SB 375 and support of its adoption across communities within the Valley.

XII. Smart Valley Places Update

In response to the update provide Ms. McPeak commented that much of smart planning is based on mobility metrics⁶. If you can get to an average of 6 trips rather than 10 as a land use indicator, then how to change the land use pattern without changing the character of neighborhoods.

XIII. 2012 State Economic Summit

Mr. Weber announced a State Economic Summit in May 2012 in San Jose, California, to convey to policymakers what is needed to revitalize California's regional economies. This summit will be patterned after Oregon's⁷ Leadership Summit and Business Plan where public and private sectors come together to talk about how to revitalize the economy. Invitations have gone out to such notables as Michael Rossi, George Schultz, Peter Ueberroth and Fred Ruiz. The intention is to come to the summit with concrete ideas about workforce, regulation, infrastructure, innovation and entrepreneurship, and access to capital.

To prepare for this statewide meeting, a series of regional summits is being organized to identify regional priorities for consideration in a statewide economic policy agenda. The Partnership has been asked to convene the San Joaquin Valley Regional Economic Summit on March 29, 2012. This regional summit will focus attention on the Ag Value Chain as an economic engine of the Valley, ranging from production agriculture to packing, food processing and distribution, as well as biomass and biofuels, ancillary businesses such as water technology and manufacture of agricultural and food processing equipment, and supporting services. Mr. Weber advised the intent to come to this forum with a set of draft recommendations that the participants can weigh in on. In order to get input prior to the March 29 date the Secretariat will initiate meetings with a variety of interested members across the Ag Value Chain. Mr. Weber asked the Board members who are interested in participating or who can provide referrals to others who would be interested to contact him.

XIV. Regional Industry Cluster Analysis

Mr. Dozier reminded the Board of the Secretariat's application for an EDA grant to conduct an industry cluster analysis on a county-by-county basis. This analysis is intended to assist the EDCs, WIBs and COGS in their planning retention and expansion programs. Award of the grant led to an RFP process that resulted in Applied Development Economics (ADE) being hired. Ms. Kelly, Principal of ADE, reported this project builds on the innovations

⁶http://www.dot.ca.gov/hq/tpp/offices/ocp/sp_files/Fact_Sheet_Trip_GenRates_Smart_Growth_Land_Use_july2011.pdf

⁷<http://www.oregonbusinessplan.org/Default.aspx>

happening in clusters in the Valley; it's been several years since the last updates on those clusters which were included in the SAP. Ms. Kelly stressed the importance of the study to determine how to create value in the Valley by identifying where opportunities exist in the value chain, especially for import substitution opportunities. Ms. Kelly referred the Board to the 2 stage action plan (page 51 handout in the packet).

XV. Local Hiring Preference

Mr. Konczal provided an update on the Local Hiring Preference efforts. The Central California Workforce Collaborative (CCWC) is seeking to create tangible opportunities based on High Speed Rail (HSR) but with Federal monies it is not possible to create a local hire preference requirement. The CCWC assembled a work team including Michael Bernick⁸ and Luisa Medina to determine how to create some targeted employment opportunities for unemployed individuals. If the same rubric is applied nationally, targeted hiring requirements can result. The CCWC has asked the High Speed Rail Authority (Authority) to include in their RFP the requirement for primary consideration of those in chronically high unemployment areas. The HSRA has passed that recommendation to the Federal Railroad Administration (FRA) so it appears they haven't objected. The Authority has hired its own legal representative, Thomas Fellenz, so we're waiting for the Authority's ultimate response but there is a window during which the requirement must be included in the RFP. First source transparency requirements have been included in the bid/RFP documentation.

There is a High Speed Rail Coalition (Coalition) that is looking at how people should be trained for rail positions with some focus on engineering training, but 85% of the HSR related jobs will be people who have union level training through local community colleges. Local unions are looking for apprenticeship programs through which to convert their existing members; WIBs are looking for pre-apprenticeship candidates and training for the local unemployed. The WIBs are essentially asking for 3000 positions; this allocation would give the opportunity to fine-tune the referral and preparation process and infrastructure for this kind of skill transfer and development.

Ms. D'Adamo asked about the current legislative strategy in support of local hire preference. Mr. Konczal responded that Assemblymember Henry T. Perea currently has a bill that is stalled in committee; not a bill with new funding, but with existing funds⁹.

Ms. D'Adamo commented that every elected official in this area has jobs as a concern; it should be an easy ask to get a state and federal letter of support over to the Authority.

Ms. McPeak commented that now is the time to get the Authority to respond, not only through the RFQ and RFP process but to even provide additional points or value on scoring of the applications and to say in those documents that it is expected that no less than x% should be possible from the local hiring pool, to incent the action and express the opinion to

⁸ Michael Bernick is a former head of the state Employment Development Department.

⁹ [AB16 - High-Speed Rail Jobs](#) AB 16 would require the High-Speed Rail Authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California consistent with federal and state laws.

the legislators. Whether or not these goals are required by law, it is important to put the hiring companies in the same room with the Authority, the unions and the training organizations.

Ms. Medina interjected that the first priority is to make certain that the language is in the documents. Bidders have to know what the expectations are regarding local hiring. The document referenced by Mr. Konczal is sitting in a pile on somebody's desk waiting/hoping for action; we need to get it raised up in the pile.

Mr. Konczal advised the Board this is the opportunity that is coming. Given the current configuration of the workforce, including those already in related trades but without HSR specific skills, even the unions don't have enough training capacity; the work force will have to come from multiple disciplines and multiple sources.

Dr. Duran interjected that the community colleges have been asking the Authority for job descriptions and skill requirements to no avail. Mr. Konczal responded that the CCWC has contacted other countries such as Spain and France with those same questions and has received the documentation. They have already paid to have the documents translated; Mr. Konczal and Dr. Duran will meet separately to develop a training strategy.

Mr. Grupe suggested telling the Authority we won't help publicize the effort until they tell us how they are going to help us get the jobs sourced here.

Ms. McPeak asked whom the Partnership needs to talk with to help address this issue; Mr. Weber suggested meeting with Roelof van Ark to express the sense of urgency we have.

Ms. D'Adamo noted there is an Authority Board meeting next week on December 13; we could add this issue to the list of talking points at that meeting and that we support a resolution to ensure that a certain percentage of those jobs come from the Valley.

Dr. Duran stated this needs to be a very, very focused conversation; we need to talk to the marketing guy to be able to drill down on those numbers and determine what the job count and type really is/are.

After spirited discussion the consensus was reached that Mr. Konczal is the point person for this issue.

Mr. Weber asked if the Board would support a letter to Mr. van Ark asking for a meeting to discuss the promotion of the project primarily on the jobs basis. Our analysis suggests that those jobs won't be Valley jobs unless we do some serious things to address the requirement; our continued support will be contingent upon addressing that.

Co-Chair Dooley and Mr. Dozier took the action item to speak with Chair Swearingin and Mr. Grupe suggested putting this as an action item on the next Board meeting agenda.

In closing, Mr. Konczal referred to the Board packet (page 52) which outlines the Three Key Recommendations being made to the Authority.

XVI. Work Group Updates – Open Forum for Convener Comments

Mr. Dozier announced that the K-12 Work Group is holding its conference on Exemplary Practices in Education in January. Dr. Masumoto is offering free attendance to three Board members who wish to attend; Mr. Weber volunteered to sponsor any other Board members who wish to participate.

XVII. Annual Summit Feedback

Ms. McPeak stated the Partnership did an outstanding job on the Annual Summit. Several other Board members commented the same.

XVIII. Secretariat Report

Mr. Dozier, commenting on the Secretariat Report, noted that the Regional Development Center (RDC) is not identified as a Partnership activity but is really not divorceable from what we do as a regional effort. The RDC is possible as a result of the activities of the Partnership.

Ms. Nutting reported that the Valley Legacy Grant (WIA Grant) is coming to a close.

XIX. Public/Board Comment

Trish Kelly advised the Board that Michael Bernick and she went to the High Speed Rail Authority meeting; their report on the potential impact of the project included a recommendation that the project hiring target the Valley. However, Authority officials are reluctant to commit to any hiring restrictions for its would-be contractors for fear of violating grant agreements with the federal government. The Authority's chief counsel, Thomas Fellenz, has commented that the Authority's funding would be jeopardized if it adopted local preferences for any of its federally funded contracts. Ms. Kelly concluded with the note that one thing found in major infrastructure construction projects; a lot of companies are globalized and have dedicated project teams that supplant many local hiring opportunities.

XX. Adjournment

In the absence of any further public or board comment, Deputy Chair Dooley adjourned the meeting at 3:57 pm.