



Board of Directors Meeting

Friday, March 15, 2013

10am - 3pm

Brookside Country Club

3603 St. Andrews Dr.
Stockton, CA 95219

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 10:10 am by Co-Deputy Chair Diana Dooley who welcomed Partnership Board members and guests and initiated introductions around the table. Board members and applicants included: James Aleru, Judy Case, Vito Chiesa, DeeDee D'Adamo, Diana Dooley, Mike Dozier (Secretariat) Sharri Bender Ehler (representing BT&H) Dr. Carole Goldsmith, Fritz Grupe (Advisory) Corwin Harper, Jim Houston (Representing CDFA), Dr. Glenda Humiston (Advisory), Blake Konczal, Dr. Dorothy Leland, David Long, Sunne McPeak (Advisory), Michael Navarro, David Nelson, Larry Powell, Robert Tse (Advisory) and Peter Weber.

II. Recognition of Sponsors

Acting Chair Dooley thanked Mr. Ron Addington, President/CEO of the Business Council of San Joaquin County for hosting the meeting at the lovely Brookside Country Club and Mr. Frank Ferral of the Greater Stockton Chamber of Commerce for sponsoring the luncheon.

III. Public and Board Comment

Ms. D'Adamo provided handouts to the board and audience outlining next steps in the Air Resources Board (ARB) efforts for reduction of diesel pollutants through diesel engine retirement in the agriculture sector. "The California Air Resources Board (ARB or Board) is in the early stages of developing strategies to further reduce air pollutant emissions from mobile agricultural equipment such as tractors, combines and harvesters. These strategies will include a continued reliance on financial incentives from United States Department of Agriculture Natural Resources Conservation Service (USDA-NRCS), state, and local sources. These monies are expected to fund near-term equipment upgrades and replacements, and longer-term approaches, such as a trade-down program, to maximize the use of the cleanest advanced technologies available for mobile agricultural equipment".¹

Ms. D'Adamo also handed out a document titled, "Cap-and-Trade Auction Proceeds Development of Investment Plan" describing the Administration's activities to develop investment plans and other materials to support California's use of the State portion of the proceeds from the auction of allowances under the Air Resources Board's (ARB or Board) Cap-and-Trade Regulation to support Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006.

Ms. Case noted that the proposal seems to focus more on local or regional investment versus investment for a more global reduction.

¹ <http://www.arb.ca.gov/ag/agtractor/documents/aghandout.pdf>

In September 2012, the Legislature passed and Governor Brown signed into law two bills – [AB 1532](#) (Pérez, Chapter 807) and [Senate Bill \(SB\) 535](#) (De León, Chapter 830) – that together establish a framework for developing an investment plan for projects and programs to be funded with Cap-and-Trade auction proceeds. SB 535 further requires that 25 percent of the proceeds that will be expended benefit disadvantaged communities and at least 10 percent of the proceeds expended be invested in projects located within those communities.²

Ms. D'Adamo confirmed that the ARB is seeking co-benefits, realizing that many disadvantages communities' advocates are seeking pollutant reduction in those communities rather than the more global benefit.

Mr. Weber suggested the secretariat staff and board members attend the Cap-and-Trade hearings and support development of the investment plan.

Mr. Weber congratulated Ms. D'Adamo on her appointment by the governor to the State Water Quality Board³ effective April 2013. Adding her own congratulations, Deputy Chair Dooley asked how the Air Resources Board (ARB) will continue to be represented on the Partnership board. Ms. D'Adamo did not know for sure but suggested it may be Alexander Sherriffs, M.D the San Joaquin Valley Air Pollution Control District (APCD) Member. Mr. Weber interjected that the Executive Committee has asked Ms. D'Adamo to serve as a member so her expertise and support will continue to be a part of the Partnership board.

Acting Chair Dooley acknowledged Carol Whiteside, former Partnership board member, currently with California Strategies, LLC⁴. Ms. Whiteside added her own congratulations to Ms. D'Adamo, noting, "...when DeeDee talks about incentives being available for tractor replacement, it should be noted she was one of the greatest drivers of that funding effort and warrants appreciation for those efforts".

Acting Chair Dooley noted that board member attendance did not provide a quorum, thus preventing a vote on action items on the agenda unless a quorum is reached.

IV. Consent Calendar

In the absence of comments or objections, Mr. Powell moved to accept the minutes and secretariat report as provided. Mr. Harper seconded the motion; there were no objections.

V. CEQA Discussion

Mr. Weber initiated the discussion with the comment that with the resignation of Senator Rubio's resignation CEQA Reform is in trouble despite its numerous supporters. Ms. McPeak and Mr. Weber held meetings with several consultants highly placed in Sacramento; their consensus view is not much will happen with CEQA reform. At best there may be a list of 25-50 projects that can be granted a sort of waiver, subject to the projects meeting certain criteria, including the requirement that they be done under a Project Labor Agreement (PLA)⁵ (project which leaves out any private projects. A situation like that would be discouraging, especially for the San Joaquin Valley (Valley), we are not likely to have any projects that fit either the large infrastructure or infill project requirements. The

² http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535&search_keywords=

³ <http://gov.ca.gov/news.php?id=17954>

⁴ <http://www.calstrat.com/People/CarolWhiteside/tabid/172/Default.aspx>

⁵ http://www.nrtw.org/neutrality/na_6.htm

situation is appalling considering all who want these projects which are being held up for reasons that have little to do with environmental protections.

Mr. Weber continued, noting that this means we have to redouble our efforts to get meaningful CEQA reform; the CEQA Reform Coalition is working hard to make it happen. Mr. Weber cited the recent City of Fresno CEQA tour which highlighted in which a project was noted where a “concerned citizens association” brought a lawsuit that held up an approved project for eight years. There is reason to believe the suit was brought by the developer’s competitor. The project, now moving forward, is estimated to employ 400 people. Another project in which a developer wants to do infill in an empty parcel in the middle of the city that is very unattractive to look at right now. But the locals are resisting development that would put 28 housing opportunities and they’re using CEQA to do it.

Mr. Long interjected that in Merced the proposed Wal-Mart distribution center has been mired for several years; a project that would have meant 900 jobs in Merced. Mr. Weber asked Mr. Long to provide the details to the coalition so they can further assess the impact.

Dr. Leland asked if there is no reasonable solution, commenting, “The state needs a long term fix for its budget issues and part of that fix is to attract businesses”. Mr. Weber agreed, noting the CEQA reform coalition is working hard but there is a strong opposition coalition that has formed that is adamantly opposed to any reform including the transparency reform.

Mr. Long interjected that the appeals process is used to delay projects.

Mr. Houston echoed the need to continue on, noting the Governor is engaged and leaders are engaged, “...folks need to continue to tell their stories”. The fact that attention is being paid to the issue is important, chatter in the background is now being brought to the forefront to help tell the story. It is important to aggregate the numbers and continue to illustrate the story that the law intended to protect the environment is being misused in cases and impeding the development of California and the Valley. Mr. Houston encouraged everyone to continue to push on; the legislative year is still young.

Mr. Aleru asked, “Since we know the individuals trying to stop the projects, is there any attempt to engage them in discussion?” Mr. Weber noted the law does not require transparency and when the judge hears the case he does not know who is bringing the suit. What is necessary is a change in the law; right now those folks have the upper hand in Sacramento. This is the most promising window of opportunity for CEQA reform we’ve had in 20 years.

Ms. Case referred to seeing good projects challenged and held up for myriad reasons; the same people who are opposing CEQA reform are also campaigning with disinformation about other environmental issues such as claiming the Valley air isn’t getting cleaner. This is an opportunity to launch a campaign of information about what the impacts really are; to focus on telling the story. Ms. Case suggested the Partnership do something strategic at this level to engage and get traction.

Ms. Goldsmith noted a number of Westside projects and improvements are also being stalled by the lack of CEQA reform.

Mr. Harper asked that the next board meeting include an action-oriented discussion that will result in specific next steps. That discussion should include the idea of reframing from strictly CEQA reform to CEQA and its impact on economic development for the Valley.

Mr. Weber advised the board that every member can help with this issue. “Put out the Op Eds, write letters to the editor, tell the story and we can change minds over time. We can influence the issue but it’s one that is much bigger than the Partnership”.

Ms. Whiteside stated that there is almost universal agreement on the need for change but not agreement on what the changes should be. Ms. Whiteside suggested the board decide which of the changes should be made and endorse those.

Mr. Weber concluded that there is agreement in the coalition as to what proposals should be endorsed. There is specific language to be introduced by Senator Steinberg that will fix this law that has been broken. Once that language is introduced the bill will be assessed for endorsement by the Partnership.

VI. Housing Issues and Updates

Mr. Rutherford introduced himself as Federal Reserve Bank Regional Manager, San Joaquin Valley. He provides technical assistance and training on community development initiatives and programs. His primary initiatives include rural community development, affordable housing, neighborhood revitalization, asset building, small business development and access to financial services. The Federal Reserve Bank gives financial institutions, community-based organizations and government entities the tools they need to effectively address community development issues affecting low- and moderate-income individuals and communities.

Mr. Rutherford provided a slide presentation outlining Housing and Labor Market Trends for the nation and for California as of January 2013. Key data included:

- California’s unemployment rate declining but still well above national average
- California house prices appear to be stabilizing
- Housing markets in the Central Valley saw greatest drops with Merced and Stockton at 2000 values
- Number of delinquencies and properties in foreclosure remain steady
- California’s consumer debt delinquency rate trending down along with U.S.

Public funding for affordable homes helps with revitalizing communities, economic development and job creation while minimizing the risk to banks. According to the 2010 Census, the San Joaquin Valley is home to 10.66% of California’s population and received 9.14% of the award from Propositions 1C⁶ and 46⁷. With that funding, it was able to build 11.86% of the units in the state. For every dollar of state funds received, the San Joaquin Valley leveraged \$2.71. This demonstrates that Prop 1C and Prop 46 were able to have a substantial impact on the supply of homes affordable to lower-income San Joaquin Valley residents.

⁶ Proposition 1C is the \$2.85 billion affordable housing bond component of the Strategic Growth Plan.

⁷ Proposition 46 created a trust fund to: provide shelters for battered women; clean and safe housing for low-income senior citizens; emergency shelters for homeless families with children; housing with social services for homeless and mentally ill; repairs/accessibility improvements to apartments for families and handicapped citizens; military veteran homeownership assistance; and security improvements/repairs to existing emergency shelters.

For the sake of comparison, Los Angeles County is home to 26.36% of the population, received 21.11% of the funds and produced 20.6% of the units. For every dollar of Housing and Community Development (HCD) funds received, Los Angeles County leveraged \$4.42, substantially more than had to be leveraged in the San Joaquin Valley.

Most parts of the state have similar ratios. The outliers are in the Bay Area, one of the highest cost areas to build in the state. In the Bay Area, the percentage of dollars received is generally higher than the population, as is the dollar amount leveraged (from private and public sources) per dollar received from HCD. For example, the North and East Bay, which is home to 10.32% of the population, received 18.27% of the funds, built 14.52% of the units, and leveraged \$4.67 in federal and private funds for every HCD dollar received. This indicates that HCD dollars actually stretch further in lower cost places like the San Joaquin Valley, producing more units per capita than in higher cost areas.

Mr. Shamus Roller introduced himself as Executive Director of Housing California, a statewide coalition of partners working for everyone in California to have a safe and affordable place to call home. Mr. Roller announced his presence here today to ask the Partnership to endorse the California Homes and Jobs Act of 2013 (SB 391 – DeSaulnier).

Acting Chair Dooley advised Mr. Roller that the absence of a quorum prevented the board from voting on the requested endorsement, but his presentation is of value and interest to the Partnership.

Mr. Roller related the story of his childhood experience with homelessness in which the family home burned down and they lived in an unimproved building while the parents struggled to rebuild. Citing this example, Mr. Roller pointed out that there are lots of things that happen in life that destabilize peoples' housing. Housing California works to ensure policies and funding to ensure that people have a safe and affordable place to live. California has a tremendous need with 130,000 people homeless on any given night. 500,000 people in California will be homeless at some time in their lives. Many people and families live in sub-standard conditions; many are paying more than 30% of their income in rent. Rental rates continue to go up at the same time that peoples' wealth is going down. The most vulnerable population, those who struggled to make rent before the foreclosure crisis, face even more uncertainty in today's rental market. An increasing challenge is determining how to meet the housing needs of an aging population that has lost much of its wealth due to the decrease in housing value.

Building affordable homes is a business imperative for California. Mr. Roller cited business groups including the Los Angeles Area Chamber of Commerce, the Orange County Business Council and the Silicon Valley Leadership Group saying California needs to increase the supply of housing options affordable to workers, so companies can compete for the talent that drives California's economy.

The handout provided by Mr. Roller states that the California Homes and Jobs Act will put tens of thousands of construction workers back on the job annually so they can provide for their families and boost local economies and will unlock billions in federal, local, and private funds to build homes and create jobs.

The Homes and Jobs Act proposes to levy a \$75 fee on the recording of real-estate-related documents - excluding home sales - and deposit the proceeds into a state housing trust fund. The trust will fund public-private partnerships modeled on California's current

affordable home programs. These programs have served a broad group of the state's residents: seniors and people with severe disabilities, working families with children, first-time home buyers, veterans, battered women and people experiencing homelessness. The \$500 million raised annually by the act will let California leverage another \$2.78 billion in federal, local and private capital to invest in meeting its housing needs.

Mr. Roller concluded by pointing out that funding from the successful state housing bonds Props. 46 and 1C are running dry and the complete elimination of redevelopment, the availability of state dollars that leverage federal and local funds and private investment is the lowest it has been in years. This threatens housing production and the jobs that go with it. Failure to act now will leave millions without an affordable place to call home and make it incredibly difficult for California business to remain competitive.

Acting Chair Dooley thanked Mr. Roller for his presentation and reminded the board that there is no quorum so no vote can be taken on whether or not to endorse the proposal and opened the floor to questions.

Mr. Grupe asked how the allocation process would work if the bill passed. Mr. Roller responded that this is being developed as the bill moves through the legislative process.

Ms. Case pointed out that this proposal is to add a "small fee" to real estate transactions, which sounds simple but the County of Fresno has just added its own charge to real estate transactions on top of the myriad other fees that are levied on real estate transactions. Ms. Case stated she is neither in favor of nor opposed to the proposal but is unsure that it is appropriate for the Partnership to vote without first hearing a presentation from anyone opposing the initiative. Ms. Case further pointed out she is unwilling to support a bill whose formal wording she hasn't read.

Acting Chair Dooley echoed the importance of having a balanced discussion, asking Mr. Roller who has come out in opposition to SB 391. Mr. Roller responded that there are no formal opponents to date.

Mr. Weber pointed out a related point of concern for the Partnership if SB 391 does pass is how to increase the likelihood of the Valley getting a larger share of funding. Ms. Dooley suggesting reviewing the materials from Ms. D'Adamo to help determine what "fair share" looks like.

Dr. Powell stated that stable housing equals stable families, stable housing equals stable school funding. This could have a big impact on school funding since for every \$100, \$20 comes from local funds and \$80 from the state. When the state is having trouble they defer money and under current conditions the school funding has been deferred as much as 30% of the state's commitment.

Dr. Goldsmith pointed out that state funding shortfalls impact beyond K-12 by hitting the community college systems as well.

Mr. Grupe asked Mr. Roller about the position taken by the California Real Estate Association. Mr. Roller replied they are in support.

Mr. Harper asked if the San Joaquin Valley Housing Collaborative is the element of the Partnership focused on real estate strategy and policy. Mr. Dozier responded that there isn't a single Partnership work group that deals specifically with real estate. Mr. Harper commented that this issue represents a junction where we may need to think the subject in a broader fashion. Some of the elements of SB 391 is about changing the tax code and some is about changing demographics. Mr. Harper noted his own concern about the baby boomer population. Retirees are going to leave California because they can't afford the taxes and/or the housing. It is important to take the time to look at housing up and down the valley as well as how we will support retirees. Mr. Harper pointed out that Kaiser-Permanente's volunteer retirement program is highlighting this issue through those who are leaving the state because they can't afford to stay.

Mr. Harper suggested taking a step back to add a few more variables to the conversation; does this represent an economic development strategy, a strategy for affordable housing or is it a tax strategy for the Valley. Pointing out the importance of considering a total strategy Mr. Harper suggested the Partnership commission a cross-section group to look at the issue.

Mr. Grupe noted, "This is really a big issue: the materials for a home cost \$75,000; the permits are \$50,000. 52% of peoples' budgets go to housing and transportation – and add 20% for health care in California - and this is an issue that is not being addressed as a whole".

Mr. Rutherford announced the Federal Reserve Bank of San Francisco is currently planning an affordable housing summit for September 25 in the Valley. Mr. Rutherford further pointed out that the absence of public opposition to SB 391 does not mean opposition does not exist, pointing out that "...the housing folks are very good at messaging and getting voters out to support their own initiatives".

Mr. Harper used the illustration of Forbes Magazine and other publications saying we are "miserable" communities⁸. "We can't recruit or incentivize people to come here because of press like that", he stated. "We live in the symptoms of a problem; how do we figure out a new solution to the problem"?

Acting Chair Dooley asked Ms. Dabbs who on the Partnership Board is on the SJV Housing Collaborative⁹. Ms. Dabbs responded that there are no board members on the collaborative although there are vacancies that need people to fill them. The Collaborative is comprised of representatives from Valley cities, COGs, and a number of organizations.

Mr. Dozier reminded the board that the next Partnership meeting is in June. Mr. Roller stated the bill is expected to be out of the Senate at the end of May. Acting Chair Dooley stated the Partnership cannot officially weigh in on the matter prior to that next meeting or the Executive Committee can review and move to endorse prior to the next meeting. Mr. Dozier stated the Collaborative can also provide its own endorsement to the bill.

Mr. Weber suggested recommend this issue be delegated to the executive committee for action with the proviso that: a) there will be a full packet of info distributed based on housing

⁸ <http://www.forbes.com/sites/kurtbadenhausen/2013/02/21/detroit-tops-2013-list-of-americas-most-miserable-cities/>

⁹ <http://www.fresnostate.edu/academics/oced/collaboratives/sjvhc.html>

collaborative, and b) anyone who wants to may weigh in on the executive committee discussion.

Ms. Case stated she wants there to be a record of anyone who wishes to abstain from endorsement or objection if they are not being involved in the discussion. Acting Chair Dooley concurred, noting that if the executive committee moves forward with endorsement that endorsement must include mention of any abstaining members.

In the absence of a quorum this issue could not be delegated to the executive committee for action, so Mr. Weber recommend the executive committee review the matter and exercise its judgment to make a recommendation about supporting or withholding support of the motion as presented. There was no opposition to the recommendation.

VII. Regional Industry Clusters Initiative Update

Mr. Dozier opened his update by pointing out the red folders at each member's seat, stating, "This shows you some of what the Secretariat staff does outside immediate involvement with the Board meetings and directives".

The Regional Industry Clusters Initiative (RICI) is the result of an analysis of the Valley's industry clusters, directed by the Office of Community and Economic Development (OCED) and its partners. The economic and cluster analyses and the partner/stakeholder engagement process provides a platform for the evolution of the Valley's cluster initiatives; a framework to align initiatives and resources to capture value chain opportunities; and articulation of the role for OCED, including the organization of the Partnership's New Valley Work Groups to lead or support the clusters.

The seven industry clusters identified in the analysis are: Agriculture, Energy, Health & Wellness, Logistics, Manufacturing, Public Sector Infrastructure, and Water Technology.

Since the initial cluster analysis was completed staff has been meeting individually with champions and their clusters to determine strategy and priorities and how to proceed with cluster development. OCED is responsible for logistics of all meetings moving forward.

Logistics Cluster

Logistics Cluster issues and priorities contained in the *Action Plan* were identified primarily through the goods movement planning process being conducted by the Regional Policy Council; other transportation and sustainable communities planning efforts underway throughout the Valley; the 2012 Regional Economic Summit on the Agriculture Value Chain; county logistics cluster initiatives; and other stakeholder input.

Logistics Cluster Priorities

- Existing short haul rail preservation/regional coordination
- Support for lower voter threshold (55%) for transportation projects; education for the public, funders, elected officials
- Possible new funding opportunities such as Cap and Trade Auction proceeds, the new SJV Economic Development District (identify funding priorities, could help leverage other federal funds), potential Health Impact Investment Bond, Homeland Security funding (including for port and food safety), USDA and other federal partners for rural infrastructure and financing
- Connect with the SJV Broadband Consortium. Broadband technologies will make agriculture and other sectors more efficient and increase revenues.

Public Infrastructure Cluster

The issues and recommended priorities were identified in an analysis of planned public infrastructure investments for the Valley, high demand occupation, workforce gaps, and training programs, and a workforce implementation strategy, led by the Central California Workforce Collaborative. A project inventory was prepared by type (transportation; rail transit including High Speed Rail; water, wastewater, and other resource-related; educational, health, correctional and other community facilities; energy; and broadband), county and funding source, with planned investments estimated at more than \$36 billion from 2010-2020.

Public Infrastructure Cluster Issues/Priorities

- Lack of awareness regarding aggregated impact of public sector investments
- Lack of trained workforce for certain industries in the clusters
- Need to update inventory of infrastructure projects and schedules on ongoing basis; identify lead
- Need coordination with economic development and planning partners to secure funding for project priorities
- RJI Construction Cluster not active
- Implement the CCWC Regional Workforce Plan as the cluster strategy for workforce
- Coordinate with the California Partnership for the SJ Valley to advocate for public infrastructure investments/local hiring
- Expand mentoring programs, build on model programs, improve access to jobs and services

Manufacturing, Energy, Water Technology and Agriculture (MEWA)

The purpose of the meeting was to review the key findings and recommended actions contained in the 2012 San Joaquin Valley Regional Industry Cluster Analysis and Action Plan, which was developed in collaboration with many partners and stakeholders throughout the Valley; identify priority actions for 2013 - both cluster-specific and those shared across the clusters; and discuss how the partners would like to proceed. A summary is provided for breakout sessions for each of the four clusters, and for the discussion with all the meeting participants of cross cluster priorities and opportunities.

Manufacturing Cluster Priorities

- Workforce Training
- Policy Advocacy for Manufacturing
- Trade and Market Development
- Supplier Gaps
- Develop Centers of Excellence for manufacturing in the region

Energy Cluster Issues/Priorities

Priority Recommendation Area 1: San Joaquin Valley Clean Energy Organization (SJVCEO) to lead action plan, connect additional stakeholders. The process is well under way. Efforts are focused on workforce training and improving facilities re: energy efficiency.

Priority Recommendation Area 2: Accelerate Technology Commercialization and Entrepreneurship. AB 32 will affect Ag and waste treatment requirements/processes.

Priority Area Recommendation 3: Permitting Issues - Group them together. Expedited solar permitting processes are being addressed, especially through strong state action, the APA.

Different solar technologies may have different issues. There are still issues for distributed solar.

Priority Area Recommendation 4: Workforce - Next generation for farming – people are not up to speed on technologies and the face of agriculture of the future. Need education and marketing.

Water Technology Cluster Priorities

- Water Sustainability (both industrial and municipal)
- Workforce
- Research & Development
- Technology & Innovation

Agriculture Cluster Priorities

- Food safety, an issue the Department of Homeland Security is also taking up. The SJ Valley, as the breadbasket of the world, must be able to ship our products safe, clean, and healthy – and import safe food to the Valley.
- Access to capital – fostering education to financial institutions is a start.
- Innovation
- Regulatory Environment

Health and Wellness Cluster Priorities

Do one thing under each heading:

- Leadership Education
- Workforce Development
- “Wellness and Prevention” Policy - Finance a policy plan as a community initiative and spend the next few months as a group to define.

Mr. Chiesa announced that at the recent Valley Voice trip everyone was talking about impending Cap-and-Trade dollars for which everyone will be fighting so it is important to be in the forefront of that to continue the work of the clusters.

VIII. Lunch

IX. Regional Policy Council Update

In the absence of a formal update from the Regional Policy Council Mr. Tischer provided an update on progress made by the water work group. Referring to the proposed water bond that has twice been delayed from public vote, Mr. Tischer cited several recent media reports that support for the \$11 million water bond has dropped since last March, when 51 percent of likely voters said they planned to vote “yes.” Today, 42 percent favor it and 51 percent are opposed, when read a summary of the 2009 water package that includes the bond. This is further complicated by the position of Senate Leader Darryl Steinberg who announced a proposal to take the issue of dams as water storage out of the bond, thereby reducing its cost. Ratepayers are expected to cover the cost of water use in the south, but state taxpayers would cover much of the cost of conservation efforts in the Delta through the bond. A fix of the water delivery system is essential for California’s economic growth and continued agricultural preeminence. Any effort to re-work the water bond must keep in mind the need to move the Delta Project forward to the benefit of people, agriculture, and industry while protecting the environment.

Ms. McPeak acknowledged the monumental job that was, and continues to be done, by Mr. Tischer, Mr. Grupe, Mr. Watson, Mr. Green and others. Referring to the recent invitation from the Delta Projects group present with them is a significant event. Ms. McPeak noted hearing privately and confidentially about growing concerns from members of the BDCP about the need for more actions. Ms. McPeak quoted Ms. Whiteside, "There is no silver bullet but there is silver buckshot" and averred that there is a certain constellation of limited actions that can be aligned and the Partnership should support those actions.

Ms. McPeak continued, noting Supervisor Allen Ishida is concerned that the emphasis from the current administration on only the isolated conveyance component of the water bond is causing increasing division. There is a lot of dissipation of focus in part due to the Natural Resource Defense Council (NRDC) "portfolio" of proposals and is hopeful the Partnership and the BDCP can work together to minimize the dissipation of focus.

Mr. Grupe pointed out that the water work group is trying to find more recharge-based water storage but there is a lot of skepticism about the amount of that capacity. Mr. Tischer confirmed the comment, pointing out that when people think of storage they think dams and not underground storage and the related conveyances. Mr. Tischer reiterated the importance of maintain a holistic view of water management rather than slicing and dicing individual elements.

Mr. Grupe invited Chancellor Leland to weigh in on the conversation, noting the water work group has been working with UC Merced to understand the capacity of the Sierra. Mr. Grupe referred to a recent meeting with Sierra Conservancy and major donor to look at maintaining forests to protect the snowpack.

More than half of the water used in California for farming and drinking and other everyday uses comes by way of runoff from the Sierra Nevada, and gauging the amount of snow there and predicting how much runoff there will be is an annual rite that has a major trickledown effect of its own. UC Merced Professor Roger Bales has designed a system that uses wireless sensors to more accurately measure the snowpack and other hydrological factors in the Sierra Nevada and make it easier to predict seasonal runoff.

Chancellor Leland stated that traditionally water managers physically measured the snow depth at a series of index sites, comparing the results to those from past years to predict water availability and thus determine how much water will be allocated to farmers and communities.

UC researches are now using little tiny sensors continuously feeding data remotely for analysis by scientists to build predictive models.¹⁰ Fresno State and UC Merced are working on different areas of the issues of snowpack, water storage and predictive modeling, looking for ways to articulate and coordinate their efforts.

Dr. Humiston urged the board to review the November 2012 publication from the California Roundtable on Water and Food Supply, noting this to include very creative outstanding recommendations.¹¹

¹⁰ <http://www.ucmerced.edu/news/sierra-nevada-water-researchers-awarded-2m-grant>

¹¹ http://pacinst.org/reports/storage_to_retention/crwfs_full_report_nov_2012.pdf

Mr. Long announced the Hilltop Ranch recharge program is ongoing now but fears the BDC will probably reduce ten times more than is saved. Mr. Long concluded that there needs to be a more holistic solution than simply re-conveyance and more traditional storage.

Ms. D'Adamo pointed out that the San Joaquin River restoration project has hit a snag due to the issue of subsidence, especially in western Madera County bordering the eastside bypass. Severe over pumping has drawn the land down 2-5 feet. Farmers on the east side of the river in Madera County have been pumping more water from deep underground to support crop expansions and changes in the past several years. The farmers, who reportedly did not realize there was a problem, rely on groundwater. Area water districts are working with the farmers on a plan to limit the deep-water pumping. Ms. D'Adamo noted that Madera and Merced counties are working together to get ahead of the issue to preclude the state coming in to decide a solution for them. These multiple water issues may serve to pull the Valley together in another common issue.

Mr. Tischer thanked the board for its kudos to the Water Institute but noted this has been a team effort ranging up and down the Valley and across multiple agencies and individuals.

At this time a member quorum was attained; Mr. Powell moved to accept the Secretariat Report as provided and was seconded by Mr. Harper.

X. San Joaquin County Panel

Mr. Frank Ferral, Program & Public Policy Director for the Greater Stockton Chamber of Commerce, kicked off the county panel discussion with a report on the March 13 Recycling Exposition (REXPO) IX "Economic Prosperity" which boasted a totally sold out crowd on the AB 32 Scoping Plan which identifies the cap-and-trade program as one of the strategies California will employ to reduce greenhouse gas (GHG) emissions as well as California's goal of generating 33 percent of its power from renewable energy sources by 2020.

Noting, "With new regulations come innovation", Mr. Ferral explained the new Recycling BIN Coalition – which is composed of a diverse set of partners seeking to address these joint economic and environmental goals -- declares its intent to build upon Public Resource Code Section 42001 to develop, stabilize and expand domestic markets for recyclable materials generated in California, expanding economic activity and job creation in the process. "BIN" Initiative: Build Infrastructure Now.¹²

For the solid waste sector, potential strategies to achieve GHG emission reductions include landfill methane capture, mandatory commercial recycling (MCR), organic waste diversion alternatives, and product stewardship. The mandatory commercial recycling measure in particular is designed to achieve a reduction in greenhouse gas emissions of 5 million metric tons of carbon dioxide (CO₂) equivalents (5MMT_{CO₂E}). A recent study by the Tellus Institute found that processing this material alone in California has the potential to create more than 17,000 new jobs. And if we can manufacture these recycled materials in-state we can create another 25,000 jobs. When combined with increased job growth in the collection of recycled materials, the implementation of AB 341 has the potential to create a net total of nearly 60,000 jobs.

Currently, approximately 5-20% of the recyclable materials collected in California remain in the state for remanufacturing; the majority of the recycled materials are shipped to other parts of the United States or to global markets. 80-95% of our recyclable materials are

¹² <http://www.greenteamsanjoaquin.com/assets/docs/Recycling%20BIN%20White%20Paper%202-3-12.pdf>

leaving California, specifically to overseas markets. So too, are our jobs, tax revenue and commerce. Achieving the 5MMTCO2E emission reductions is dependent on ensuring that the recyclable materials are recycled into new products, which offers an enormous opportunity to existing and new businesses in California. The State energy grid is cleaner than Pacific Rim countries and than most states receiving California's recovered materials. So in-State manufacturing yields more GHG reduction now.

25 member coalition to focus on creating recycling-based jobs in Calif was put into place. The white paper states, "Implementation of the Mandatory Commercial Recycling Regulation will increase the availability of recyclable materials and provide potential increased feedstock for California recycled content value added product manufacturers. We see this opportunity as this generation's version of the We Can Do It campaign of World War II putting California and America back to work".

Mr. John Solis introduced himself as Director of the San Joaquin County Employment and Economic Development Department (EEDD) which provides employment, training, education, and economic development services throughout the county.

Mr. Solis told the board that an educated and well trained workforce is the key to economic development. Workforce development happens not only at the education level, it happens with veterans, the economically disadvantaged, displaced home workers and the incarcerated as well as at the youth level. Mr. Solis announced he is here to talk about a critical element to the development of the future workforce: youth employment. Opportunities for young individuals to develop appropriate work place skills are very limited. Due to child labor laws and adult contention for limited opportunities, 14 to 18 year olds have few options for workplace experience. On average, youth unemployment is three times that of adults with fewer than 50% of high school graduates and college freshmen who have ever worked and have no idea what the labor market is like. Employers are frustrated by the lack of maturity, work ethic, critical thinking skills and productivity experience they find in entry-level employees. Mr. Solis handed out a brochure for the "Hire Me First" Internship program which was established to promote youth employability through increased employment opportunities, internship and job shadowing experiences for the youth in our community.

By participating in the "Hire Me First" Program, employer input will help to develop the fundamental knowledge of work ethics, skills and proficiencies needed by the participant.

Each year hundreds of our brightest students leave our community to go to college believing that there are no career opportunities in our community. By participating in internships and job shadowing activities, businesses will expose those career opportunities and will help us hold on to our graduating students. We let them know that there are employment opportunities they can come home to.

The Internship program allows students the opportunity to work for a business and gain hands-on experience in an occupation. This experience will take place over a varying length of time to be determined by the employer based on the job requirements.

Job Shadowing provides students with first-hand experience as an "employee for a day" through job-site visits. Students receive fundamental knowledge of job tasks and an understanding of how learned skills can be applied on the job. The Job Shadowing experience is determined by the employer but usually involves a minimum of four hours.

San Joaquin County Chief Deputy County Administrator, Mr. Harry Mavrogenes provided a review of the Economic Development Vision and Implementation Plan as presented at the Board of Supervisors Meeting on March 12, 2013. Strengths and assets of San Joaquin County include: Land availability, lower costs (than Bay Area), a Pro-business environment, location 60 Miles from the Country's Strongest Economy (Silicon Valley), a growing agricultural sector (\$6.6 Billion economic impact), a skilled commuter labor force, ideal logistics location for rail, truck, seaport and airport and it is the gateway to Bay Area, the Pacific, and the Far East.

Challenges for the county include: Training and educating a commuting workforce (quality-of-life) and inadequate infrastructure.

Mr. Mavrogenes noted that San Joaquin County is uniquely positioned to take advantage of its proximity to the Silicon Valley, citing congestion and extreme costs of living in the South Bay area along with:

- Job Market Growth
- Reliance on Foreign Born Talent
- Start Ups Increasing
- Space Limited
- Pressure on Adjacent Areas

Key recommendations include:

1. Economic Development Focus
2. Economic Development Marketing
3. Business Climate/Talent
4. Site and Infrastructure
5. Entrepreneurship
6. Tourism
7. Quality-of-Life
8. Education & Workforce Development

Mr. Mavrogenes concluded his presentation with the recommendations made to the Board of Supervisors:

- ▶ Approve the San Joaquin County Economic Development Vision and Implementation Plan
- ▶ Direct the County Administrator and affected County departments to initiate implementation of the 8 key recommendations.

Acting Chair Dooley asked Mr. Grupe to provide his perspective on positive things going on in San Joaquin County.

Mr. Grupe acknowledged the volume of publicity around the city's declaration of bankruptcy, noting that the City of Stockton's finances aren't that much different from many other cities, Stockton has simply admitted the problem and is addressing it head-on. Of the general fund, 80% is in public safety (police and fire), Mr. Grupe noted, and the city has done about all the negotiations it can on wages and staff. The next work is renegotiating the bonds on the five projects they shouldn't have taken on. Mr. Grupe reflected that the City of Stockton's situation is analogous to the General Motors bankruptcy: they did what they had to do and there is reason to hope the city will prevail.

Executive Director Andy Chesley introduced himself and the San Joaquin Council of Governments (SJCOC) which serves as the regional transportation planning agency, providing a forum for regional decision-making on issues such as growth, transportation, environmental management, housing, open space, air quality, fiscal management, and economic development. Making reference to road construction signs on most approaches to Stockton, Mr. Chesley noted they could realistically read, "construction, next 5 years" praising the wisdom of the voters whose renewal of the ½ cent sales tax to support transportation, combined with "ruthless leveraging of state bond money" resulted in the ongoing projects. Mr. Chesley noted that only about 4% of the funding on these projects is Federal but there are about 2300 jobs associated with them.

Mr. Konczal asked what percentage of those jobs are/were local hire. Mr. Chesley stated that none of the primes are from San Joaquin county but a large percentage of the workforce is from Alameda and San Joaquin counties. There aren't any hard statistics as to how many jobs went to local.

Mr. Konczal further inquired if there was ever any discussion about having local hire requirements as part of the bid. Mr. Chesley responded negatively and Mr. Grupe interjected that there are legal issues with mandating local hire.

Ms. McPeak acknowledged Mr. Chesley's strong leadership role in San Joaquin County and for the region, noting, "This is a great story of how the local community benefitted from working within the region. A lot of this is the result of 8 counties coming together such as on the Highway 99 Corridor".

XI. Executive Committee Update

Mr. Weber announced 2013 to be a year of transition for the Partnership. Founding members Mr. Watson and Mr. Ornellas left the board last year and Ms. McPeak has resigned, although all will be available to the board in an advisory capacity. Without Ms. McPeak there would be no Strategic Action Proposal (SAP) and her history with the Partnership proves that focused leadership.

Mr. Weber continued, the number of subject matters we address as a body is almost overwhelming there is so much going on. Smaller, focused groups can get a lot of done so during the last executive committee meeting we looked at the original SAP to ask what we should stop doing. Our answer was: none of it with the possible exception of K-12 except in the context of workforce development. Vicky Bradshaw was emphatic, asserting we must not abandon the effort to connect K-12 with workforce development in the Valley. But the challenge is how to keep people together when they can't, or don't want to be involved in the more broad issues. Our conclusion is we need a core group of people willing to engage on specific issues, and then meet with constituent subsets such as attaching ourselves to groups like mayors and cities and county Supervisors where we input 25% and ask 75% feedback: what can we do for you. Communicating is a challenge. Those of you who are members of local governments, we think you are taking our activities back with you but we understand that cities and Supervisors are focused on "right now".

Mr. Grupe is going to activate the Partnership Advisory Council to engage business partners to promote value in the membership and the activities of the Partnership.

Chair Swearingin and Secretary Dooley have proposed formation of a Valley Wide Business Council which could eventually replace the executive committee. The value of a

Valley Business Council would be identification and articulation of key issues which could then be escalated, through the Partnership, to the political process. This business council would be independent from the Partnership but could serve an advisory and advocacy role.

Mr. Weber described the formation and initial grant funding of the Partnership, noting that since the end of the WIA grant the organization has been self-funding largely through Fresno State and several grants through the James Irvine Foundation. This funding does not include specific initiatives such as the Water Institute; it is a bootstrap operation depending largely on grant funds being generated by OCED. Mr. Weber confirmed that he and Chair Swearingin will endeavor to influence the new Fresno State president on the importance of maintaining funding for OCED. However, it is important to seek other funding sources to include specific grants that support the Partnership agenda. "We need your help", said Mr. Weber, "Where you have relationships, please use them".

Mr. Weber continued by stating that Chair Swearingin, if she were here, would raise the question of the duration of the meetings. Should we shorten the meetings to less than full day affairs? The other issue is where we hold them. Chair Swearingin is proposing we keep the meetings Madera/Hanford/Fresno and hold the annual meetings at different more remote locations so we don't lose the connection with all the major cities in the valley.

Dr. Leland interjected that she is a member of the Silicon Valley leadership group; we pay a hefty amount to be a member and that's where it gets its funding for the staff that does the advocacy work. The Silicon Valley Group has been successful in a number of issues; the proposed Partnership advisory council might be able to provide some of the funding for that function. Dr. Leland encouraged the members to have a serious conversation about a truer partnership amongst educational institutions that should be a member of this group. What would be a good way to mobilize a coalition of higher education institutions that can mobilize for workforce development?

Dr. Leland concluded the thought that we can shorten our meetings but also need to find ways to allow for electronic access to the meetings. It's the travel that often impedes our ability to participate in person and to provide a quorum.

Mr. Weber agreed to consider all three suggestions as action items for staff and the executive committee. Mr. Weber noted that this body's status as a private/public organization its efforts are more about policy development than about advocacy, unlike the Silicon Valley Leadership group.

Acting Chair Dooley suggested the hybrid nature of this group supports development of a separate advocacy organization.

Mr. Konczal concurred that having a central location for meetings is a good idea. Dr. Goldsmith interjected that county offices of education have meeting and teleconference facilities.

Mr. Harper interjected that the original "Fresno centric" culture has changed and it's now appropriate to focus on being effective and efficient without as much concern about where meetings are held.

Mr. Dozier announced that the Secretariat, in its role as the Office of Community and Economic Development at Fresno State is seeking to be the repository for positive

information about the San Joaquin Valley. With its newly-developed web site OCED will be able to link to or post directly any articles, facts and statistics that emphasize the positive aspects of the Valley.

Mr. Grupe mentioned the Community Partnership for Families of San Joaquin as an example of good news with transferable concepts that can be shared.

Since 1998, the Community Partnership for Families of San Joaquin has partnered with neighborhood groups, faith-based organizations, schools, businesses, and public and private health agencies-to improve the quality of life of families by working to end the vicious cycle of generational poverty that has plagued San Joaquin County¹³.

XII. Update: Board Meeting Survey

Ms. Allen provided slides summarizing feedback from the December 2012 board meeting.

XIII. Regional Economic Forum

Mr. Dozier invited board members to join other community and business leaders from throughout the San Joaquin Valley on Friday, April 26, Radisson Hotel & Conference Center in Fresno to discuss progress and growth opportunities for the region. Participation in the forum will result in specific recommendations elevated to the California State Economic Forum.

XIV. Discussion: Future Board meeting locations

Mr. Dozier announced the need for hosts and sponsors for the upcoming Partnership board meetings, confirming with Ms. Allen that the sequence will be Kings County in June and Kern County in September. Mr. Harper volunteered his organization to host the December 2013 board meeting in Stanislaus County.

XV. Public and Board Comment and Meeting Feedback

Ms. Ehlerth thanked Ms. McPeak for her part in Prop 1B, for putting the money to good work and for ensuring cost savings in the process.

Dr. Goldsmith added her thanks to Ms. McPeak for the funding brought to the Westside of the Valley; those funds are now supporting distance learning and attainment of college credits by many who could not otherwise achieve them.

XVI. Adjournment

Mr. Harper thanked all board members for their attendance and active participation in the day's discussions. In the absence of any further public or Board comments, Dr. Powell moved and Dr. Goldsmith seconded adjournment of the meeting at 2:59pm.

¹³ <http://www.cpfjs.org/>