



Meeting of the Board of Directors

Friday, February 26, 2010

10am to 3pm

The Padre Hotel

Bakersfield, California

MEETING MINUTES

Present: James Aleru, Frank Bigelow, Mike Chrisman, Sid Craighead, Dee Dee D'Adamo, Todd Ferrara (representing Secretary Snow), Cathleen Galgiani, Frank Gornick, Coke Hallowell, Barry Hibbard, Farrell Jackson, A.G. Kawamura, Sunne McPeak, Luisa Medina, Michael Navarro, Mike Nelson, Pete Parra, Jeff Rowe, Pat Sullivan (representing Secretary Adams), Ashley Swearengin, Jason Vega (representing Mr. Quackenbush), Gene Voiland, Ray Watson, Peter Weber, Greg Woodard, Jeff Wyly (representing Secretary Bradshaw).

Staff: Mike Dozier, David Hosley

I. Convene Meeting & Introductory Remarks

The meeting of the California Partnership for the San Joaquin Valley (Partnership) was called to order at 10:07am by Deputy Chair Ashley Swearengin who welcomed all participants then yielded leadership to Kern County Supervisor Ray Watson.

Supervisor Watson welcomed all participants, expressing his appreciation for the support and interaction of community members as hosts, sponsors, panelists and participants in the meeting.

II. Self-Introductions

Members of the Partnership board introduced themselves.

III. Public and Board Comments

Carrie Bowen – California High Speed Rail Authority (HSRA)

The State of California has received \$2.25 billion in ARRA funding; there is no breakdown yet on the first phase of projects.

Executive Director Medhi Morshed, who has been largely responsible for keeping the dream alive over the years, is retiring.

The filing period for the high-speed rail heavy maintenance facility expression of interest closed Jan 15, 2010; 15 submittals are being incorporated into the EIRs for the Merced-Fresno and Merced-Bakersfield segments. Environmental documentation is expected to be complete by fall 2011 and will result in a Record of Decision. Both segments will have multiple sites identified which will then result in solicitation of request for proposals (RFP) for the various sites. Any applicant who has completed their own EIR also may submit a new site for consideration.

The Record of Decision is expected in about 18 months, followed by RFPs starting in 2011-2012. EIR work is ongoing on both segments, proceeding with the spring surveys in Bakersfield-Fresno. The Merced-Sacramento scoping period ends today (Feb 26, 2010) with a report due at the end of March. HSRA has been asked to consider operating other trains, such as the Altamont Commuter Express (ACE) train on the same tracks; currently working with local

agencies to assess the possibility. HSRA is continuing outreach to communities and water districts; and has been asked to ensure minimal impact on agricultural land and water districts.

Hillary Baird, League of California Cities

The League of California Cities (League) and multiple Valley cities are working to put a measure on the November 2010 ballot to prohibit the state grabbing local monies such as local shares of property, parcel, sales, transportation and other local taxes. The prohibition would be retroactive to October 2009 with a continuous appropriation piece to ensure recovery of funds by court action, if necessary.

Funding for the initiative is coming from the League and the California Transit Association; so far, it has garnered about a half-million signatures, a large portion of which are from volunteer signature gatherers.

IV. Review and Approval of Minutes

Mr. Craighead moved to approve the minutes as provided; the motion was seconded by several board members at the same time.

V. Executive Committee Nomination of Dr. Ben Duran Board Candidate

Dr. Frank Gornick's term as chair of the Central Valley Higher Education Consortium has ended; his replacement is Dr. Ben Duran, president of Merced Community College. The Partnership Executive Committee approved Dr. Duran's nomination to the board and is recommending to the Governor's Appointment Unit that Dr. Duran be confirmed. Dr. Gornick will continue his participation on the board until Dr. Duran's appointment is confirmed.

VI. Secretariat Report

Mr. Weber pointed out that all board members serve at the pleasure of the governor and given the 2010 elections, the Partnership needs to ensure continuity of leadership. All Cabinet Secretaries serve as ex-officio members of the board, based on their position of appointment; to ensure that at least two-thirds of the other members remain consistent, the Executive Committee is having discussions with the Cabinet Secretary and Secretary Bonner's office to request staggered terms; an update will follow as this request is concluded.

Report on the Joint Meeting with the San Joaquin Valley Regional Policy Council (Council)

Mr. Dozier advised that members of the board and the Executive Committee (Dozier, Grupe, McPeak, Watson, and Weber) met with Supervisor Michael Rubio, Ron Brummett and other members of the Regional Policy Council (comprising the eight county Councils of Government).

Ms. McPeak declared an outcome of that meeting was the clear need for structured, regular communication between the Partnership and the Council. Mr. Brummett noted that the "fruit" of that meeting was when the Council went to Sacramento and representatives from the Partnership, San Joaquin Valley Air Pollution Control District (Air District) and the Council were all sitting together talking to state representatives. The Partnership was an active participant in the recent Valley Voice trip to Sacramento along with the Air District, which gave a much stronger presence in the meetings. Mr. Brummett recommended that any time the Council goes to Sacramento or Washington to talk to electeds or major policymakers, these groups should all sit together and provide a united front.

Mr. Dozier introduced new OCED staff: Stacie Dabbs, Government Affairs Manager, and Ismael Herrera, Project Manager, both of whom joined in December 2009.

Government Affairs Update

Mr. Dozier pointed to page 14 of the board packet which reflects Ms. Dabbs' work accumulating and reporting ARRA funding; these totals reflect Kern County is the largest Valley beneficiary to date with Madera County garnering the smallest amount.

Paul Johnson of the San Joaquin Valley Clean Energy Organization (SJVCEO) explained that the California Energy Commission (CEC) announced \$110 million of ARRA funding through the State Energy Program (SEP). Of the 12 major awards announced, none went to the Valley; small portions (about less than \$1 million) of three awards may potentially touch Valley jurisdictions but no direct funding was received. SJVCEO worked with multiple jurisdictions to submit proposals for funding but were unsuccessful. Mr. Johnson explained that much of this is because we are still establishing the infrastructure to be competitive for funding. The funds went to larger portions of the state which, from the energy side, have an established infrastructure and can get "quick wins."

Ms. Dabbs drafted a letter of protest to the Valley's state and federal legislators on the Valley's almost total neglect in the allocation of SEP funds, NSP-2 funds and iHub support, highlighting that without funding assistance the Valley won't be able to rise from the have-nots into the haves category. Two letters were prepared jointly with SJVCEO and the Air District, specifically regarding the SEP—one to the CEC voicing our concern that the Valley's needs were not addressed in these awards and asking for reconsideration, the other to the California Public Utilities Commission (PUC) asking for a discussion with us on how the Valley can participate in developing a successful residential retrofit program. For the state to achieve its efficiency and clean energy goals, the Valley is a critical component.

Mr. Weber moved to approve and send letters as discussed; we respectfully and urgently need to make the argument of the importance of these awards to the Valley. The Valley pays the highest electricity rates in the state; the opportunity for savings is higher in the Valley than anywhere else. We want to engage in constructive discussion with CEC and PUC. Mr. Woodard seconded the motion.

Secretary Kawamura commented that the challenges of all early adopters are friction costs and pointed to successful partnering of the San Joaquin Valley regional water and waste boards for the dairy digester deployment. By partnering without using federal funds, the Merced Irrigation District and the Dairy Digester Board CO2 Containment Project were able to avoid those friction costs.

Secretary Kawamura noted how critical it is to fix the infrastructure that invites investment and reduces friction costs and pointed to the California Ag Vision which includes a plan for an office of facilitation and ombudsman to open the door for cross-agency assistance to get ahead of the delays and blockages of projects.

Mr. Watson observed the Valley often ends up on the short end of funding. Letters are fine; but perhaps time should be spent anticipating fund sources and timing and determining how to organize ourselves around being proactive to be at the table before the funds are allocated.

Mr. Weber noted that in the case of all applications addressed in the letters, the Valley was very well-prepared with strong proposals and strong coalitions. These letters ask not only for reconsideration but for opening a dialogue with officials in the public sector to see how we can be competitive. The consolidated Valleywide effort is being effective.

Ms. McPeak asked Todd Ferrara (representing Secretary Adams) what ARRA money still sits with the CEC and what would be an eligible pot of money to go after. Mr. Ferrara responded, of the \$110 million the CEC awarded on a competitive process, for more than 100 applications, 12 were awarded, three for statewide purposes. Mr. Ferrara confirmed the CEC recognizes the competitive process resulted in a lack of parity in awards and pointed out that Southern California did not receive any awards either. As to what monies are still available, there is a \$35

million clean energy business financing program that the CEC will formally put forth at the March 24 board meeting. The requirements for that award do specifically recognize the geographic issues, and the Valley is being considered in the criteria for that.

Ms. McPeak suggested this is an appropriate and timely opportunity for a delegation from the Partnership to meet with Secretary Snow and the CEC. Mr. Ferrara confirmed this as an appropriate tactic; there are other parts of the state pursuing the same strategy.

Mr. Weber renewed his motion to approve the letters as written and was seconded by several around the table.

Ms. Dabbs presented a letter that had been sent to the Air District in support of AB 2522, the DMV Fee increase.

Ms. Dabbs presented a proposed letter of support for the CENIC grant application.

Ms. McPeak explained CENIC is the Corporation for Education Network Initiatives for California <http://www.cenic.org/>. Under CENIC, California's education and research communities leveraged their networking resources in order to obtain cost-effective, high-bandwidth networking. CENIC designs, implements, and operates the California Research and Education Network (CalREN), a high-bandwidth, high-capacity Internet network specially designed to meet the unique requirements of these communities, and to which the vast majority of the state's K-20 educational institutions are connected.

Ms. McPeak noted that CENIC looks like a good option for many of our more rural areas; the discussion is how to encourage them to think about how to further joint venture with local government on hot spots such as libraries. CENIC has looked at its role as being the backbone/backhaul of smart connectivity and are particularly well-positioned to do a little bit more. The state librarian has taken the initiative to help make libraries the digital hubs of the Valley through WiFi, inside and even outside; Ms. McPeak suggested encouraging CENIC to think as broadly and aggressively as possible.

Mr. Bigelow cautioned walking delicately so as not to compromise the private sector which has already built out the infrastructure that exists. If the letter of support is promoting building further infrastructure, it's in conflict with what exists. The infrastructure and hard work already exist, better to determine how to capitalize on the existing public/private hardwired network. A lot of rural telephone companies are already delivering service to the schools; they run right past the local libraries which simply don't have funding to do the plug-in.

Mr. Dozier commented that his understanding is this proposes to fill the gaps where there isn't connectivity. Mr. Weber commented that CENIC does have that broader vision and are now in negotiations with a vendor to provide that last mile of connectivity.

Dr. Gornick moved to approve the CENIC letter of support and was seconded by Ms. Medina.

Communications Plan Update

The communications plan as adopted in October 2009 is now being implemented; this is the first board meeting with the new format which includes a panel discussion with representatives from the host county. Earlier this month, Mr. Dozier, Mr. Hibbard, Mr. Voiland, Mr. Parra and Mr. Watson made a presentation to the Kern County Board of Supervisors, providing a great step toward better ties between the Partnership and local board.

Communications plan activities continue on March 16 with a presentation to San Joaquin County Board of Supervisors with scheduling ongoing for other San Joaquin entities.

Sustainable Communities Initiative Update

Rollie Smith of the U.S. Department of Housing and Urban Development (HUD) provided an update on the Sustainable Communities Initiative (see attachment).

VII. WIA Grant Update

Members of the respective work groups provided an overview of the four initiatives set forth in the Workforce Investment Act (WIA) grant.

VIII. Kern County Roundtable

Representatives from Kern County conducted a panel discussion about challenges and opportunities being faced by business in Kern County.

- Richard Chapman– President and CEO of the Kern Economic Development Council
- Ron Brummett– Director, Kern Council of Governments (Kern COG)
- Jim Beck– General Manager, Kern County Water Agency. This agency was created in 1961 by a special act of the Legislature to serve as a local contracting agency of the state water project. This agency has been in the forefront of state water management through its cross-valley canal and groundwater banking programs.
- Sean McNally– Vice President and Legal Counsel of Grimmway Farms. Grimmway Farms is the largest grower/producer/shipper of carrots in the world; potatoes, citrus and various varieties. Mr. McNally is also a certified specialist in workers' compensation law and a trustee for the self-insurer's security fund.
- Gene Tackett– consultant representing Hydrogen Energy Corp (retired from Kern County Board of Supervisors)

Mr. Chapman opened the discussion with an overview of Kern County's \$28 billion economy and the economic development challenges it faces. As the best-performing county in the three-state area (California-Nevada-Arizona), Kern is projected to be the first California county to emerge from the recession. One of Kern's main challenges to economic growth is the state in having to interpret the California Environmental Quality Act (CEQA):

- Kern County has 75% of the oil in the state. AB 656 had the potential to result in an oil delivery tax of \$10 billion out of the \$28 billion county economy.
- SB 975 (prevailing wage trigger) makes incentives moot; Valley employers are advocating for Central Valley prevailing wage rather than the statewide prevailing wage which is inflated by the major metropolitan areas.
- AB 32 (greenhouse gas reduction) uncertainty is causing site selection consultants to be very leery of California although Kern County stacks up well with easy accessibility and access to major markets.
- In 1999, California made up 16% of all major economic development deals; we are now at 3%.
- Lack of incentives- view our competition to be the entire Western United States; each state seems to be targeting specific industries (renewable energy, etc.)
- Silver lining- we are emerging from the recession but have several hurdles for the foreseeable future and need a Valleywide coalition to help support a joint effort to improve economic development throughout.

Mr. Brummett talked about transportation in Kern County. Over the last three years, Kern COG along with Caltrans has done freight studies on major transportation arteries through Kings, Tulare and Fresno counties. 18,000 truck drivers were interviewed about their trucks, loads and reasons for choosing their route of travel. One-third to one-half of the traffic on those routes is trucks alone. 56% of the vehicles on Route 58 are from out-of-state; 33% of the trucks on Route 58 are from L.A., diverting around L.A. congestion. The top five commodities being transported: 25% farm products; 17% food; 12% empty containers to/from the ports; 7% miscellaneous freight and 4% building materials. 80% of the trucks on I-5 originated in the L.A. basin and covered the top five commodities of food and sundry products 21%; containers 18%; farm products 14%. L.A./Long Beach traffic is expected to significantly grow in the next few years, which will impact Valley traffic even more. (See handouts provided.)

Shipping practices of Burlington Northern Rail (BNR) and Southern Pacific are focusing on minimum 1,000-mile/100-car trains so are impacting Kern's ability to ship on Class I railroads. This lack of rail option is driving traffic to trucks and increasing volume on local roads. Under consideration now is a Fresno-Kern-Tulare short-line rail concept as alternative access to the Port of Oakland and major rail hubs. The alternative proposal is under attack (in Tulare and Kern counties) where segments of existing track are being abandoned by the short-line rail companies who are tearing up the track to sell for scrap. Putting more freight on trucks and less on trains is less efficient and has led to the introduction of AB 2658 (Conway); this bill would state the intent of the Legislature to initiate a coordinated short-line railroad program in this state to improve the movement of goods.

Mr. Beck opened his comments with thanks and kudos to the Partnership for its activities supporting water in the Valley; this is a place where interests across the Valley can come together to discuss and reach consensus. Today's (Feb 26, 2010) announcements of water allocation were not very positive: Valley farmers can expect a 5% federal allocation if we have dry conditions; 30% based on normal conditions. The state project allocation is 15% under dry conditions; 35-45% based on normal conditions. It's hard to explain why we don't have water, when Shasta is at 100%, Oroville, about 50%, and Lake Isabella, 70%. We won't get out of this recession unless we see some meaningful action to address the water issues. Kern has some of the best water banking programs in the world, attracting visitors from other countries. But the water banks are decreasing at about 35%/year. Through the Integrated Water Management Plan, 48 different participants have identified about 200 projects to implement for continued conservation and storage but those projects require funding which will require attention at state and federal levels.

Mr. McNally introduced himself and then Grimmway Farms, the largest grower/producer/shipper of carrots in the world and largest organic grower in the country. Grimmway Farms employs, directly and indirectly, about 7,500 people. Mr. McNally commented it seems a lot of politicians essentially don't understand the economics of business; they continue to pass laws and requirements to promote social and environmental agendas that are paid for on the backs of already struggling businesses. AB 32 is a prime example of this kind of legislation; businesses around Kern County and around the Valley want more of a dialogue and input from the businesses that are being impacted because the state continues to impose enormous regulations that put us at a competitive disadvantage with neighboring states. Through dialogue there are many opportunities for cooperative agreement that negate the requirement for legislation. A good example of cooperative agreement is the California Leafy Greens Marketing Agreement, a set of self-imposed regulations created as a result of the Salinas E. coli outbreak.

Examples of prohibitive legislation include fumigant regulations which are forcing movement of farming operations to other states where fumigants can be used safely and effectively. Due to leapfrog development, some of the most fertile farmland is now bordered by development and the buffer zone requirements preclude the use of customary fumigants.

Workers' Compensation reform is being undone by some court interpretations and this will impact businesses as well.

The costliness of doing business in California is becoming a disincentive. 90% of the carrots consumed in the United States come through Bakersfield. But Grimmway and other farmers are being forced to consider moving out-of-state due to the insistence of major retailers such as Wal-Mart and Kroger, who are pressuring for lower prices. Water in this region is \$1,000/acre; in Florida it's \$25/acre.

To survive in California, we have to be very innovative; large agribusiness has enough economy of scale to take on the bureaucrats, the smaller grower/providers cannot and end up selling out. An example of regulatory stalemate is in Grimmway's attempts to re-use carrot processing water and their inability to get cooperation from state regulators.

Mr. Tackett welcomed all participants to Kern County and announced that Hydrogen Energy is about “jobs, jobs, jobs.” The Hydrogen Energy California Project (HECA) is an industrial scale installation of an integrated hydrogen power generation and Carbon Capture and Storage project. The project will employ 1,500 construction workers; in operation will provide 100 permanent operational positions. (See brochure attached.) This project is in queue at the CEC with hopes for approval in next 18-24 months. After approval, construction will take three to four years with the facility going online sometime in 2014-2015. This project further emphasizes Kern County’s role as an international energy leader; China and India are interested in clean coal technology.

Mr. Weber thanked the panelists and noted that the challenges highlighted here are pretty universal up and down the Valley. Mr. Weber proposed further discussion between the panel and Partnership Executive Committee to see how the Partnership can help increase the voice and message.

Mr. Weber thanked the hosts and sponsors for an extraordinary evening and dinner last night. Noting that former Partnership Chair Mike Chrisman has moved into a new role with the National Fish and Wildlife Federation, Mr. Weber noted two presentations of appreciation for Mr. Chrisman. Coke Hallowell presented, on behalf of the San Joaquin River Parkway and the Partnership, a framed, signed print of the San Joaquin River Parkway by photographer Geir Jordahl. Secretary A.G. Kawamura presented an engraved bottle of wine to Mr. Chrisman with thanks for his support of the Partnership and the entire San Joaquin Valley.

IX. Conflict of Interest Policy

Mr. Dozier introduced attorney David Wolfe to explain the Conflict of Interest Policy being introduced.

Mr. Wolfe reminded the board that the Political Reform Act requires all government agencies to have a conflict of interest code and to file Form 700s. The purpose of the requirement is to ensure that officials and employees with the ability to influence decisions refrain from making or participating in the making of decisions that may have a material financial effect on their financial interests.

Mr. Wolfe confirmed that if approved at today’s meeting, the policy will take effect March 8, 2010, thus beginning the 45-day notification window and the requirement to file Form 700. Based on the adoption of the new Conflict of Interest Form, this would be an initial statement. Mr. Weber moved to approve the Conflict of Interest Code and was seconded by Dr. Gornick.

Ms. Medina asked if the previous evening’s sponsored dinner is a reportable event. As a member of other government agencies, yes; for other members, unless the gift is from someone who is doing business with the partnership, it is not reportable. The most common “businesses” of the Partnership would be grantees. Ms. Medina continued, noting that in the past certain work group consultants were grantees of the partnership; would they also be subject to the Form 700? Mr. Wolfe responded that grantees would not be subject; if hired as staff, they may need to be added to the code.

In response to a question from Ms. McPeak, Mr. Dozier confirmed that there is confusion between California’s Fair Political Practices Commission (FPPC) and Business, Transportation and Housing Agency (BTH), as to which of us will file (Secretariat or BTH). Board members are to send their Form 700s to OCED for filing.

Ms. McPeak observed that all who file under other conflict of interest codes must file under this as well and asked that the staff continue to track sponsorship and contributions to ensure accurate accounting.

X. President Obama's Jobs and Economic Growth Forum

Co-Chair Swearingin introduced this topic as one designed to be an opportunity for the board and public to provide further input into what is needed to improve the Valley.

After her attendance at the President's forum on Jobs and Economic Growth, Mayor Swearingin saw an overwhelming recommendation of Small Business Administration (SBA) loan programs, reducing fees, increase government backing to 90% for small businesses. The program was over-subscribed very quickly in the Fresno area.

Katie Stevens provided an update on the Jobs Bill:

The House passed a \$154 billion jobs bill in December 2009 that included among other things, police/firefighter hiring money, specific water and airport infrastructure funding, and workforce funding.

The Senate passed \$15 billion Jobs Bill that didn't look much like the House version and included a number of provisions:

- Exemption from SSI payroll taxes for every worker hired in 2010 who was unemployed at least 60 days
- Retained provision for taxpayers to write off certain capital expenditures for more equipment
- Highway trust fund for infrastructure investment
- Build America Bonds Program
- Did not include police/firefighter hiring money, specific water and airport infrastructure funding, the workforce funding, COBRA extension or SBA loans

Ms. Swearingin asked what board members are hearing from local businesses and how they feel we can spark hiring in the Valley.

Mr. Watson announced that incentives to hire someone don't cause employers to hire; employers hire when they have sufficient business to justify hiring.

Mr. Watson suggested the Partnership reconvene today's panelists and others up and down the Valley, to talk about growth, economic development, and how to focus on training people for new jobs as business is attracted to the Valley.

Ms. McPeak commented on the powerful testimony from the panel and the compelling image Mr. McNally presented with his carrot rinse water challenge. Ms. McPeak asserted that the Partnership should be sitting with the regulators making the roadblocks and working to figure out how to get the thing done.

Mr. Watson concurred with Ms. McPeak's recommendation, noting if we conducted a workshop of people up and down the valley with panels similar to today we would accumulate a list of worthwhile projects.

Ms. McPeak noted that some CEQA reform has been addressed at least superficially. If there was upfront planning, the presumption should run with the applicant consistent with that plan. If the Valley is making progress on the big indicators (improving water quality, decreasing air pollution) we should be able to get exemption on projects that are consistent. The Partnership should take on legislation that gives to the Valley (because of our unique circumstances of having the plan in advance) pre-approval of the CEQA reform.

Dr. Gornick referred to the November 2009 report from the Legislative Analyst's Office (LAO): "The Master Plan at 50: Assessing California's Vision for Higher Education" <http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=2141>; and recommended asking people from the LAO staff to come talk about the failure to align workforce needs with higher education needs. There are states with stronger coordinating councils that identify core training needs and move forward with appropriate programs where the resources are directed at the specific needs

of the state through greater coordination with the workforce board. Opportunities for regional experimentation are in the Valley; see "Greater Than the Sum of Its Parts—Coordinating Higher Education in California." <http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=2190>

Mr. Jackson, referring to Mr. McNally's obstacles in permits to use recycled carrot rinse water, noted that ConAgra in Stanislaus County faces a similar impediment. ConAgra recycles their processing water; they tie it with one of the farmer's pasture lands with no adverse effects on the groundwater quality or table and have had their permit for a long time. Now the community is trying to connect Highway 99 with the east side of Oakdale via a route that goes across that farmer's pastureland and might require that ConAgra go through the permit process again, something they could not sustain.

Ms. D'Adamo noted there is a tremendous push in congress to "do more with recycled water projects" and pointed out the Stanislaus County project to move water over to the San Joaquin River for use by the Del Puerto irrigation program. Although not a solution, this is an example of a small step of mitigation.

Ms. McPeak extended compliments to the workforce investment boards (WIBs) for their efforts toward linking workforce preparedness and higher education. Ms. McPeak noted the really deep and abiding alliances and partnerships of the WIBs with the employers and employees necessary to successfully implement and urged the WIBs and economic development corporations (EDCs) to force the interaction between employers and educators/trainers to ensure the product delivered meets the need.

Mr. Weber interjected that the construct of the Workforce Investment Area (WIA) Grant implementation is that all relevant work groups are being funded to provide that interchange role. The first step was to get the education infrastructure in place.

Secretary Kawamura commented on the perceived lack of entrepreneurship training for school students, reminding the board that the Future Farmers of America (FFA) program is a leadership/entrepreneurship skills training mechanism available to the schools around the country. FFA provides vocational training as well as skill-set training and is doing extremely well in the state. Secretary Kawamura reminded the board that the Partnership gave birth to the Ag Vision initiative at California Department of Food and Agriculture (CDFA); now in the process of wrapping up, the plan supports and can be tailored to the Partnership mission and drive to the "vision of a great, vibrant Valley."

Mr. Bigelow recognized the FFA as having the single largest world gathering at one time; when it outgrew Kansas City, the annual gathering moved to Louisville and is rapidly outgrowing the Louisville venue. A large number of governor's staff are former FFA members or are currently staffed to support the organization.

Ms. McPeak proposed a specific action plan to resolve Mr. McNally's carrot rinse water issue. Commenting that this is probably an issue for the Water Resources Control Board, California Environmental Protection Agency (Secretary Adams) should be the tasked lead to convene a meeting of CDFA (Secretary Kawamura) and any other appropriate agencies, plus Mr. McNally (Grimmway Farms), the California Association of Food Processors, and the Kern EDC to meet with California Natural Resources Agency (Department of Water Resources) to try to resolve the issue and provide a report back within 90 days. Ms. D'Adamo offered her participation and support, and Pat Sullivan committed to participate in future discussions regarding the issue.

Ms. McPeak further proposed that the Partnership Executive Committee and Todd Ferrara or other staff of California Natural Resources Agency work on formulating language to reflect the Valley's thoughtful process and asking for CEQA relief for the Valley.

Mr. Weber seconded Ms. McPeak's proposals.

Mr. Watson approved of Ms. McPeak's proposals and commended the strategy of picking a few key issues and driving them to resolution. Following this thought, Mr. Watson recommended

making economic development a point of focus for the Partnership; economic development happens by itself when the barriers are removed. Mr. Watson recommended the Partnership call a summit of people up and down the valley to talk about the whole list of things impacting the Valley and impeding economic development. Mr. Watson asked which committee of the Partnership would assume responsibility for this; how many more things can we get on the table with more time to talk about it?

Dr. Gornick, referring to Mr. Brummett's presentation on transportation, suggested the Partnership further investigate the whole area of the short-line railroads in the area, noting that such railroads historically helped to develop the entire area east of the Mississippi.

Ms. Medina suggested future board meetings dispense with the operational work of the Partnership, leaving it in the report format, but focusing on the kinds of discussions and presentations that we didn't have sufficient time to discuss today. By making the presentations part of the morning agenda, we can engage in discussion with the participants present. It would be more meaningful to get to a more action-oriented meeting without having to wait for the annual meeting.

Mr. Hibbard agreed that such an agenda change would provide an opportunity to get business participation back into the Partnership; our effectiveness has dwindled some with the departure of business.

Ms. Medina continued by observing the need for the previously mentioned ombudsman role that people need interfacing with government; that's the type of problem that people run into and give up and the Partnership can play a critical role in overcoming obstacles; but we need to get to a place in our agenda to do that. The panel discussions are fruitful and from the discussions come good action opportunities.

Mr. Weber advised that a portion of the Executive Order now being assembled is aimed at addressing the involvement of business and suggested being realistic about the implications of the many action suggestions made today. The Secretariat staff is limited, and board members need to step up to their roles as conveners and regional resources. We have a huge plate of stuff to do; but absent funding for more staff, we have to figure out how to do more.

Ms. Swearingin concurred, noting the need to not train ourselves to think that things have to come out of the central Partnership offices; local entities often have direct relationships with the agencies involved, and it may be more appropriate to ask them to follow up on a discussion and report back.

Mr. Weber commented that the water bond is currently running at about 33% approval and asked what the Partnership can do between now and the end of the year to try to improve support of the process. There is big money lined up to fight against the bond measure and there is not yet evidence of state leadership to help get this bond measure through.

Mr. Chrisman commented that as the year goes on there will be people lining up to support the bond, but it's been known from Day One it will be a heavy, heavy lift to get this done. The Partnership needs to consider actively supporting the bond.

Mr. Watson suggested the Partnership Water Work Group try to form collaboration with the Delta counties to hold a 1- to 2-day education session to resolve conflicts and confusion about the bond itself. The implementation of the legislation leaves some room for trying to deal with some of the concerns that people have. The challenge is, even if you go through the process and come out with answers that are plausible or usable, will people believe it?

Mr. Chrisman commented that anything we do today to improve those lines of communication will be helpful. Mr. Weber recommended not putting a lot of urgency into making it happen, doubtful it will have much impact on the vote in November. Instead, Mr. Weber suggested the more urgent need is to try to form an alliance with L.A. and improve the sense of urgency from Southern California.

Ms. Swearingin noted that a new sense of urgency does seem to be emerging from the south.

Mr. Watson recommended a Partnership resolution to support the bond measure. Seven of the eight counties have been pretty much in agreement on the bond issue; yet we keep trying to formulate language that is also sensitive to San Joaquin County. The Partnership needs to decide whether to be silent on the issue in deference to San Joaquin County or to take a position in spite of it. At some point, the Partnership has to take a position on issues of controversy; this is one such pivotal point.

Ms. Swearingin assigned the Water Work Group to craft a resolution on behalf of the Partnership. Mr. Chrisman suggested part of that should be an in-depth discussion of what the water bond means and its overall implications. Ms. Swearingin noted the next board agenda will include a panel discussion and executive briefing on the water bond. Mr. Tischer offered to provide an executive briefing at the next board meeting.

Secretary Kawamura noted that two significant developments have taken place recently in the area of water. First, of the different options being considered, one is a tunnel to create alternatives for re-routing of water; this is a viable option being used around the world using existing technology. Second, there is a lot of development around the concept of food shed in which the Delta falls squarely when considered by the Bay Area.

XI. Public and Board Comment

Co-Chair Swearingin thanked the members of the Kern business community for participating in the meeting today.

Ms. D'Adamo, in her role on the California Air Resources Board (ARB), expressed her appreciation of Mr. McNally's comments about AB 32 and related air quality issues. ARB is taking this recession very seriously and is taking another look at the impact of all regulations. ARB is also looking at the recession's impact on air quality, which is improving due to fewer trucks on the road; so they are trying to turn the dial a bit on current regulations such as the truck rule and the port truck and construction equipment rules.

Referring to the 5% water allocation, Ms. D'Adamo noted that Senator Feinstein worked hard on the amendment for 40% and pretty much the entire Valley delegation has supported her. Ms. D'Adamo extended thanks to all who have been working on the water issue; all of that noise really has helped.

Ms. D'Adamo concluded her remarks by commending the idea of pursuing the ombudsman role and looking at the carrot situation. The Partnership has tried to be specific about working on projects with barriers; it is helpful to identify a list of the projects and their barriers and to pursue resolution through the various regulatory agencies. Although it is worthy, we can do bigger than just the carrot project.

Co-Chair Swearingin provided a review of the discussions and actions agreed to by stating there is a foundational agreement that the role of the Partnership shifting from plan adoption to plan implementation; the most difficult part is the implementation and follow-through. The Partnership sees itself as an ombudsman working with local agencies with heavy emphasis on local business to address impediments to local growth and economic development.

Action: The meeting agenda will be changed to a format to bring local representatives and panel discussions early on. The agenda for the next board meeting will include an Executive Presentation on the water bond and presentation of a water resolution.

Action: The proposed theme for the Annual Summit will be: Barriers and Solutions to Economic Development – How Do We Solve the Problem?

Actions in the next 90 days the Partnership and its partners will:

- Orchestrate a carrot rinse water summit with the EPA, CDFA, food processors and other industry representatives to address permitting for the rinse water solution being proposed by Grimmway Farms.
- Executive Committee will take the lead on CEQA reform working with legal staff of California Natural Resources Agency; based on the Valley's upfront work, we should have some kind of exemption which would provide a tremendous benefit to the region.
- Arrange for an update on the LAO report: "The Master Plan at 50: Assessing California's Vision for Higher Education."
- Arrange for inclusion of the FFA as part of the entrepreneurship model.
- Provide Partnership input to the Ag Vision plan.

Mr. Watson again thanked the board and panelists, noting the positive actions and accomplishments of the afternoon that identified issues and plans toward resolution. It was good to hear from the local business people and would have been beneficial if they could have heard feedback from the board; Mr. McNally will be pleased to know we have agreed today to take on that issue.

XII. Adjournment

With thanks to all, Deputy Chair Swearingin adjourned the meeting at 2:44 pm. The next meeting is May 21, 2010, in Merced, at City of Merced Administration Building in Sam Pipes Room.