



Board of Directors Meeting

Friday, December 14, 2012

10am - 3pm

John Wells Youth Center

701 East 5th Street

Madera CA 93638

559-661-5495

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 10:15 am by Chair Ashley Swearengin who welcomed Partnership Board members and guests and initiated introductions around the table.

Board members and applicants present included, James Aleru, Lynne Ashbeck, Judy Case, Vito Chiesa, Diana Dooley, Mike Dozier (Secretariat), Sharri Ehlert (representing Acting Secretary Brian Kelly, BTH), Pat Gordon, Jim Houston, Trish Kelly, Dorothy Leland, Brian McMahon (representing Secretary Morgenstern, LWD), Luisa Medina, David Nelson, Leroy Ornellas, Larry Powell, Mary Renner, Max Rodriguez, Ashley Swearengin, James Tague, Robert Tse, Ray Watson and Peter Weber.

II. Recognition of Sponsors

Chair Swearengin thanked meeting sponsors Mayor Poythress and the City of Madera for the use of the John Wells Youth Center and Pat Gordon of JBT FoodTech for sponsoring the morning refreshments and luncheon. Partnership board members entering the meeting room were greeted by a welcoming banner hand painted by children who participate in the youth center. Each board member received a hand painted mug also made by youth center participants. Chair Swearengin extended thanks on behalf of the board to Mary Anne, Seay, Director of Parks & Community Services and her staff for the generous welcome and all their efforts to accommodate the board.

III. Public and Board Comment

Madera Mayor Poythress extended a warm welcome the Board to Madera, deferring additional comments to his County Panel update later in the day.

Eric Fleming Madera County Chief Administrative Officer handed out presentation slides explaining the development of a new phone and online service introduced on August 1, 2012 to help the County's residents connect with government agencies for non-emergency issues. Citizens can connect with "311 - At Your Service" by dialing 311 to reach an operator Monday through Friday from 8:00am to 5:00pm, or by visiting www.madco311.com any time. 311 operators will provide information, take service requests and refer callers to government agencies.

"311 will provide our citizens with a much easier line of communication to government agencies, and will give Madera County Officials an additional opportunity to understand the

community's needs. We would like to thank the County Board of Supervisors for their approval and support of the 311 program," explained Mr. Fleming

Mr. Fleming concluded his remarks by stating that litigation between the City of Fresno and County of Madera precludes his further participation today and he looks forward to an opportunity in the future to address the board.

Mr. Powell announced that he had just received notice of a school shooting in Connecticut and his professional obligations required him to leave the meeting.

IV. Consent Calendar

In the absence of comments or objections, the minutes, secretariat report and other items were approved as provided.

V. Water Work Group Report

Chair Swearingin asked the board to allow the water work group report to precede the CEQA reform discussion to accommodate Senator Rubio's schedule; the board agreed.

Supervisor Watson provided a brief review and update on the progress made by the Water Work Group from its origins in the Strategic Action Plan. In late 2011, twelve counties from the Sacramento-San Joaquin Delta to the bottom of the San Joaquin Valley¹ settled on a carefully worded resolution of agreed-upon positions on water.

Then, in an effort at water diplomacy, those representatives put together a list over the past year of 18 projects related to flood-control, groundwater-recharge, environmental-restoration and other water-related projects that they all could support and to seek accelerated implementation.

These projects advance common agendas among diverse and often competing stakeholders while meeting the co-equal goals of improving water supply reliability and restoring the Delta ecosystem. The projects also avoid conflicts with long-term planning efforts such as the Bay Delta Conservation Plan (BDCP).

Mr. Weber announced that October 15, the Senate Select Committee on Delta Stewardship and Sustainability, chaired by Senator Lois Wolk, received a report from the Legislative Analyst's Office (LAO) on "Funding and Options for Near-Term Action in the Delta"². The report notes that both the Delta Stewardship Council and the Delta Protection Commission have developed lists of Delta-related activities that could begin prior to construction of conveyance. In addition, a group of Delta stakeholders has identified 53 activities costing an estimated \$770 million that could start within the next five years.

This group, the Coalition to Support Near-Term Delta Projects, includes Delta residents, water agencies from around the state, and environmental groups that met for six months beginning in the spring of 2012 to identify actions that could be taken in the Delta without prejudicing the outcome of the BDCP or the Delta Plan.

¹ The 12 counties are San Joaquin, Contra Costa, Fresno, Kern, Kings, Madera, Merced, Sacramento, Solano, Stanislaus, Tulare and Yolo.

² <http://www.restorethedelta.org/beginning-to-consider-near-term-actions/>

Mr. Weber congratulated Mr. Watson and Mr. Ornellas on the success of their December 11 presentation to the Senate Select Committee on Delta Stewardship and Sustainability.³

Mr. Weber stated that the San Joaquin Valley is a microcosm of statewide water issues which, since 2007 Mr. Watson, Mr. Ornellas and other key players have worked toward developing a common water vision. This report confirms that they finally have twelve counties working together in accommodation of regional water issues with recommendations for key projects with which to move forward.⁴ Mr. Ornellas commented that the meeting was well received by state representatives including Senators Rubio and Wolk from whom several action items developed. Senator Wolk acknowledged the work that went into the report, commenting it is great to get all the counties together; there is clearly a great deal of trust across the counties with folks understanding the importance of cross-boundary issues such as supporting agriculture while supporting other community needs.

Sarge Green provided the lists of the counties that have adopted or endorsed the list of recommended projects. Six counties have adopted the entire list of recommendations: Contra Costa, Fresno, Kern, San Joaquin and Stanislaus counties; six counties have endorsed the list but not adopted all of the projects: Kings, Madera, Sacramento, Solano, Tulare and Yolo counties

Chair Swearingin presented to Mr. Watson and Mr. Ornellas a gift of appreciation from the Partnership board, thanking them for their tireless efforts toward improving the San Joaquin Valley.

In parting, Mr. Watson noted this meeting to be the conclusion of his service on the Partnership and Kern County Board of Supervisors. Mr. Watson stated, "Being able to represent people in your community and issues of importance to community and the state is a real honor. Once involved you realize the importance of that involvement. It has been a real honor to serve Kern County and on this Board".

Mr. Ornellas concurred with Mr. Watson, remarking, "The Partnership coming together has given a voice to the Valley that was desperately needed. We get constantly downplayed by L.A. and the Bay Area and I am so proud to be a part of something so important. Conclusion of this water issue is a significant accomplishment, one suitable with which to conclude this career".

Chair Swearingin again thanked Mr. Ornellas and Mr. Watson for their service noted "There is tremendous significance in what has been accomplished so far. Leroy and Ray have been able to bring together political elements and its people like Fritz Grupe and Pete Weber and Sunne McPeak who also spend countless hours on the issues of water, and bringing people together in a calm and professional manner. Jim (Tischer) and Sarge (Green) have been the boots on the ground and also deserve recognition for their efforts".

³ CPSJV-DCC 12 County Water Work Group prepared by the California Water Institute August 23, 2012

⁴http://delta.senate.ca.gov/sites/senate.ca.gov/files/Delta%20Coalition%20Projects%20Transmittal%20Letter%2010%2012%2012_0.pdf

VI. CEQA Discussion

Chair Swearingin introduced Senator Michael Rubio who thanked the Partnership for its interest in what is arguably one of the most important issues to the state, especially given that California is still nearly broke. It is important that the state continue to grow and to remain among the top 10 states for GDP growth and CEQA is a significant roadblock between us and a 3% growth rate.

First signed by Ronald Reagan, the California Environmental Quality Act (CEQA) standards initially only applied to public projects but a subsequent court ruling mandated CEQA applies to all projects and should be interpreted in its broadest sense to apply toward protection of the environment. Senator Rubio noted it is important to now have a law that is individual and unique to our state; four decades ago we didn't have the many environmental protection agencies that exist today and it is apparent that CEQA is in need of modernization.

In the 40 years since, Congress and the Legislature have adopted more than 120 laws to protect environmental quality in many of the same topical areas required to be independently mitigated under CEQA, including laws like the Clean Air Act⁵, Clean Water Act⁶, Endangered Species Act, greenhouse gas emissions reduction standards, SB 375⁷ and more. Despite these stringent environmental laws and local planning requirements, public and private projects throughout the state are commonly challenged under CEQA even when a project meets all other environmental standards of existing laws. Many lawsuits are brought or threatened for non-environmental reasons and often times these lawsuits seek to halt environmentally desirable projects like clean power, infill and transit. Thoughtful CEQA reforms can preserve the law's original intent – environmental protection – while preventing special interest CEQA abuses that jeopardize community renewal, job-creation and the environment.

Mr. Weber thanked Senator Rubio for his leadership in the area of CEQA reform, commenting that at the State Economic Summit, CEQA and its impediments was one of the three top issues.

Senator Rubio noted that in California right now there is a 50/50 chance of a project being approved even after a full-blown Environmental Impact Report (EIR) while there is a 56% chance of the project being challenged while in the state of New York the challenge rate is under 20%.

Mr. Weber asked how the Partnership can help here in the San Joaquin Valley.

Senator Rubio suggested one way is to support CEQA reform efforts⁸. Ms. Ashbeck asked how to get more involved because there are incidents of hospital projects being railroaded by CEQA challenges that have had negative impacts. Senator Rubio committed to send to her information on the forming CEQA reform coalition.

Mr. Weber asked the board members to watch for specific case studies that highlight the inequity of CEQA and provide that information to the Senator's office.

⁵ <http://www.epa.gov/air/caa/40th.html>

⁶ <http://www.epa.gov/lawsregs/laws/cwa.html>

⁷ <http://www.calapa.org/en/cms/?2841>

⁸ <http://www.calchamber.com/headlines/pages/08252012-ceqareformmovesforwardactionneeded.aspx>

Mr. Nelson interjected that it is important to consider a Partnership resolution in support of CEQA reform and volunteered his time and his company to help with a resolution. Ms. Medina also thanked Senator Rubio for his efforts toward CEQA reform stating that in her work with the city council on infill projects in the city she can see clearly need for reforms around CEQA. Mr. Tse commented that another element of the costs of CEQA is the cost of the time; long delays in many cases sacrifice the economic window, citing projects proposed prior to the recession that were delayed and ultimately lost. Mr. Tse noted, "As long as there is a delay, the cost of the project will go up and make it less possible".

Senator Rubio continued his comments noting another big issue from last year was elimination of the redevelopment agencies which the senator opposed, noting that there is a movement afoot to return the RDAs with a caveat that they go only to communities that have adopted Sustainable Communities Strategies.

Mr. Weber commented that the bill on realignment is a bipartisan bill and there is a letter of support signed by many Valley members. Given the importance of the issue, Mr. Weber continued, the Partnership might consider a resolution in support.

Moving from the topic of CEQA Mr. Watson thanked Senator Rubio for recognizing the issues of AB109. When parolee reimbursement back to the counties was reduced down to \$6000, the counties in San Joaquin Valley were impacted more greatly than others and Senator Rubio's intervention is much appreciation.

Mr. Watson continued with the comment that one of the primary premises of the Partnership at formation was to deal with Valley specific issues including the fact that our Federal reimbursement levels are the lowest in the state and possible the US. Mr. Watson encouraged the Partnership to support the Senator's investigation into the inequity of the way the funds are distributed. Thanking Mr. Watson for his mentorship as a supervisor, Senator Rubio commented that there is no rhyme or reason for the realignment allocation.

Senator Rubio commented that many rural communities in the Central Valley could be at risk from drinking water contaminated with nitrates, mostly from agricultural fertilizers used on irrigated land. "It is every citizen's right in California to have clean drinking water", the Senator said, "but how to get there is challenging"⁹.

The Irrigated Lands Regulatory Program (ILRP)¹⁰ was initiated in 2003 to prevent agricultural runoff from impairing surface waters. The development of waste discharge requirements under the Long-term Irrigated Lands Regulatory Program which will protect both surface water and groundwater has been underway. The new waste discharge requirements will address irrigated agricultural discharges throughout the Central Valley. The Central Valley Water Board adopted the first in a series of waste discharge requirements in December 2012¹¹. The adopted waste discharge requirements are the product of four years of dialogue among a variety of interested parties, as well as public input received at numerous Central Valley Water Board meetings. It is anticipated that by the end of 2013, Waste Discharge Requirements will be developed for all regions in the

⁹ http://www.pacinst.org/reports/nitrate_contamination/index.htm

¹⁰ http://www.swrcb.ca.gov/rwqcb5/water_issues/irrigated_lands/

¹¹ http://www.swrcb.ca.gov/rwqcb5/water_issues/irrigated_lands/press_releases/rb5_13dec2012_irriglands.pdf

Central Valley, replacing Conditional Waivers. A new irrigated lands management program is developing but there are concerns about how to distinguish between low risk/high risk areas.

Ms. Case agreed that there are water quality issues impacting many Valley communities that have essentially been abandoned by people who don't want to stay there. There is a need to focus on solutions that are not necessarily cookie cutter/generic because there are sometimes areas that naturally have lower quality water without any influence of agriculture. Ms. Case stressed the importance of requirements that stay focused on what we are trying to identify and report, not simply creating reports for the sake of reports.

Senator Rubio announced his belief that the agricultural industry should be doing its best to be responsible in its management of water and products that go into or can seep into the water table.

Mr. Weber suggested Ms. D'Adamo be the Partnership representative to monitor the Valley water issue and keep the board apprised of developments.

Mr. Tague asked if there is a worst case situation where the issue of water quality crosses with CEQA challenges. Senator Rubio indicated he is not aware of an issue so specific but he is aware of CEQA challenges being launched between oil and ag.

Mr. Houston and Mr. Tse emphasized the need to be thoughtful about how we approach the ag water management issues to be sure people are educated about the program itself. Ms. Swearingin asked about the required rulemaking steps involved in the regional water quality control board. Senator Rubio advised that the Regional Water Quality Control Board (RWQCB) conducts meetings and surveys with evidence that the east sides of Tulare and Fresno counties experience less debate on water quality issues than the west.

Ms. Dooley, citing her status as a native daughter of the SJV, extended a very personal as well as Partnership thank you to Senator Rubio as an extraordinary leader at an extraordinary time. Ms. Dooley noted that the Governor appreciates Senator Rubio's professionalism and perspective in his spirit of bipartisanship which echoes that of the Partnership.

Chair Swearingin expressed her own appreciation of the Senator's diligent work here in the Valley, thanking him for his time with the board.

VII. Work Group Spotlight: Regional Broadband Consortium

Ms. Audino provided an overview of the San Joaquin Valley Regional Broadband Consortium, an initiative of the California Partnership for the San Joaquin Valley. This initiative is dedicated to accelerating the deployment, accessibility, and adoption of broadband within the San Joaquin Valley. It takes a comprehensive regional approach to improving broadband infrastructure, expanding telehealth, and increasing digital literacy across the Valley.

SJVRBC comprises key stakeholders committed to furthering regional deployment, accessibility, and adoption of broadband services in the eight-county region of the San Joaquin Valley, California. The SJVRBC received funding from the California Public Utilities

Commission (CPUC) to bring broadband infrastructure to unserved and underserved communities in the region, through the network of consortium members who were strategically chosen on the basis of prior experience with delivering networked telecommunications, digital literacy programming, and broadband advocacy.

Mr. Tse presented slides outlining the positive impact on agriculture that will be derived from expansion and deployment of broadband capabilities across the San Joaquin Valley.¹²

Mr. Bryon Horn, CSD Manager with the City of Fresno, announced that Fresno is a winner in the IBM Smarter Cities Challenge.¹³ In 2010, IBM Citizenship created the Smarter Cities Challenge to help 100 cities over a three-year period to address some of the critical challenges facing cities. IBM does this by contributing the time and expertise of their top experts from different business units and geographies, putting them on the ground for three weeks to work closely with city leaders and deliver recommendations on how to make the city smarter and more effective.

The winning cities proposed innovative projects and areas of focus for IBM experts. These included strategies that address:

- Economic and Workforce Development — reducing local dependence on a single industry.
- Social Services – creating an ecosystem that supports independent living for a growing senior citizen community.
- Sustainability – setting policies around billing rates, electric vehicle use, and solar power generation on a smart power grid.
- Capital Budget Planning – enabling citizens to request expenditures, while also analyzing their potential impact.
- Urban Planning – taking a more systematic, data-driven approach to housing policy, downtown revitalization, zoning, and permits.

Fresno hopes to gain the knowledge and skills necessary to build a regional cloud for sharing “open data” and modeling tools that will be instrumental for citizen engagement. Fresno will also work with IBM on a plan to deploy ultra-high speed broadband in the Downtown Corridor, which could serve as the underpinning for development of a regional agricultural technology cluster in Fresno. Mr. Horn concluded by noting the next steps are to reconvene the stakeholders with IBM to work out specific work list for IBM to focus on for greatest efficiency when the team comes. More information and the application are available at www.fresno.gov/smartercities.

Mr. Dozier announced that this project results, in part, due to Strong Cities Strong Communities (SC2)¹⁴ and IBM Smarter Cities. Competitions such as IBM Smarter Cities are often awarded due to local and regional collaboration such as the Partnership and related entities. It is known that a community’s involvement in SC2 influences positive consideration from granting bodies.

VIII. Lunch

¹² http://caffet.files.wordpress.com/2012/11/city_of_fresno_roberttse.pdf

¹³ http://www.fresno.gov/NR/rdonlyres/396EA10A-8436-4665-807D-A6E11EDC3FEC/0/2013_Application_EnglishEdit.pdf

¹⁴ <http://www.fresno.gov/Government/MayorsOffice/strong.htm>

IX. County Panel

Madera Mayor Rob Poythress welcomed the Partnership to Madera. First laid out by the California Lumber Company in 1876, the town's name is the Spanish term for lumber. From 1876 to 1931 a 63-mile water flume carried lumber from the mountains to Madera where the lumber was shipped by train.

Madera's first post office opened in 1877 and the town incorporated on March 27, 1907. Landmarks include the notable and historic Madera water tower and the city's fully operational drive-in movie theater.

Madera envisions itself as a well-planned and attractive community abundant with good jobs and economic opportunity. Maderans see themselves as a strong community, with great schools and strong family values in a safe and healthy environment in which we protect our resources and provide healthy educational and recreational opportunities.

Beginning in the summer of 2005, Madera engaged in a community process to develop a plan to guide the city to a preferred future. This community-wide effort was conducted over a two year period and involved thousands of citizens representing dozens of community interests, including business, environment, neighborhood, social service, healthcare, education, government and many others. The products of this endeavor are Vision Statements which describe Madera in the year 2025 in four focus areas:

- A Well Planned City
- A Strong Community and Great Schools
- Good Job and Economic Opportunity
- A Safe and Healthy Environment

The end product of the accumulation of the community-wide efforts was the creation and adoption of an Action Plan which identifies the programs and projects necessary to achieve that Vision. The resulting Action Plan¹⁵ lists specific activities that will help move the community in the direction of the Vision. It also assigns these activities to individuals, groups or agencies that will take the lead in shepherding the activities to fruition.

Referring to the morning's handouts "311 - At Your Service", Mr. Poythress outlined the success of that program serving as a springboard for discussion between Madera cities and the county of the possibility combining emergency response services in a similar collaborative way.

Mayor Poythress concluded his remarks by thanking the Partnership for the opportunity to participate and acknowledging the staff of the John Wells Youth Center for their making the Partnership so welcome.

Darin Soukup, Executive Director of the Oakhurst Area Chamber of Commerce presented an update on the Oakhurst area, citing the mission statement of the Oakhurst Area Chamber of Commerce, "To promote and support the economic vitality while honoring and preserving the unique lifestyles of our Mountain Communities."

In the 1850's the area became known as Fresno Flats providing supplies to mines and lumber companies in the surrounding area. With the decline of mining and lumber the area

¹⁵ <http://www.visionmadera2025.org/>

has become a good tourist destination, located in the culturally rich Southern Sierras just moments from the south gate to Yosemite national forest. Local challenges include an absence of medical services and limited economic development beyond tourism. Mr. Soukup noted Oakhurst earned the nickname of "birthplace of computer gaming" by being home to the pioneering computer game developer Sierra On-Line from 1981 to 1999.

Chair Swearingin recalled a past ballot initiative to incorporate Oakhurst which seemed to have widespread support for moving forward to incorporation. Mr. Soukup stated the effort was defeated at the ballot box.

In response to a question about how much partnership Oakhurst has with the local Native American tribes Mr. Soukup noted that both the Chukchansi casino and tribe and the Mono tribe are active in the community.

Mr. Tse commented that the health care service deficit in the area makes the telehealth argument powerful.

X. Mortgage Resolution Partners – Underwater Loan Program Presentation

Mr. Gluckstern and Mr. Williams introduced themselves and their company, Mortgage Resolution Partners (MRP).

Mortgage Resolution Partners (MRP) is a Community Advisory firm working to stabilize local housing markets and economies by keeping as many homeowners with underwater mortgages in their homes as possible.

America is experiencing an historic national mortgage crisis. Due to a collapse of home values, one in five mortgaged homeowners owe more than their homes are worth; more than eleven million families are now underwater. Nearly three million of these families are in default and on their way to foreclosures that will depress home prices further, causing still more foreclosures.

Principal reduction is the way to save local communities. It benefits the entire community by preventing defaults and foreclosures, thereby stabilizing neighborhoods and protecting essential public services.

However, PLS loans are uniquely structured, making standard methods of principal reduction including refinance and modification extremely difficult if not impossible. Securitization agreements and tax laws prohibit the sale of toxic PLS mortgages except when the mortgages are condemned.

Providing Local Solutions for Communities helps local governments purchase and reduce principal on underwater loans, preventing costly defaults and foreclosures. The program, *CARES (Community Action to Restore Equity and Stability)*, is implemented by local communities, and focuses on those families with toxic loans who have nowhere else to turn. Local governments have the power to condemn PLS mortgages when a public purpose exists by paying fair market value. After purchasing the loans, local governments can reduce the principal balance on these toxic mortgages and eliminate underwater PLS loans in their communities. By reducing principal, we can stabilize and revive those communities. MRP

proposes to charge \$4,500 for each refinance, which is the same amount mortgage servicers receive from the federal government when they modify mortgages.

Ms Swaeringin noted this is a timely and complex program and thanked Mr. Gluckstern and Mr. Williams for their presentation.

XI. ACTION: USDA Rural Definition

Mr. Dozier reminded the board that in years past the USDA Rural Development made the administrative decision to base funding allocations to states using Census Bureau definitions of rural and urban. The purpose of this action item was to seek Partnership board approval of a letter describing this methodology as flawed and recommending it not be continued with the 2010 Census data. In the letter the Partnership asks USDA leadership to defer to the definitions set forth by Congress to ensure a fair distribution of funding is allocated to each state based on eligible population. Utilizing the Census Bureau definition, in effect, eliminates funding for all communities over 2,500 in population. However, according to the rural definitions set forth by Congress for Rural Development programs communities up to 10,000 in population are eligible for Water & Environmental Programs; up to 20,000 in population are eligible for Community Facilities Programs; and up to 50,000 in population are eligible for Business Programs.

Mr. Dozier recommended postponing action on the letter pending feedback from Dr. Glenda Humiston, California State Director at the U.S. Department of Agriculture (USDA), Rural Development who is meeting with USDA leadership to discuss this topic.

Mr. Weber noted this to be an important issue to the Partnership and to the Valley but agreed that postponing the issue to the Board meeting would be appropriate.

XII. Discussion: Future Board meeting locations

Ms. Allen asked board members to complete a survey to reflect their preferences for future Partnership board meeting dates and venues, and their willingness to plan, host and otherwise assist in putting on the meetings.

XIII. Public and Board Comment and Meeting Feedback

Chair Swaeringin again thanked the staff and volunteers of the John Wells Youth Center for their hospitality and reminded board members that the handmade mugs at their places were gifts for them from the children of the Center.

XIV. Adjournment

In the absence of any further public or Board comments, the meeting was adjourned at 2:36pm.