



## Board of Directors Meeting

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**Friday, June 21, 2013**

10am - 3pm

### **Hanford Civic Auditorium**

400 Douty Street

Hanford, CA

## **MEETING MINUTES**

### **I. Convene Meeting and Introductory Remarks**

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The meeting of the California Partnership for the San Joaquin Valley (Partnership) was called to order at 10:08 am by Co-Deputy Chair Corwin Harper who welcomed Partnership Board members and guests.

### **II. Recognition of Sponsors**

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Mr. Harper thanked sponsors Kings County Economic Opportunity Commission (EOC), the City of Hanford, and Adventist Health, then introduced Darrel Pyle, Hanford City Manager who welcomed the Partnership and guests to Hanford and to the historic Civic Auditorium.

### **III. Public and Board Comment**

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Mr. Harper announced the governor's appointment of new board members Monica Blanco-Etheridge, Genoveva Islas-Hooker, Dorothy Leland, Billy Powell, Mary Renner and Max Rodriguez as well as the reappointment of members DeeDee D'Adamo and Luisa Medina. Secretary Diana Dooley administered the oath of office to Ms. D'Adamo and Dr. Leland who were in attendance.

Mr. Lehn noted widespread satisfaction in the business community that the state budget was passed and that it included Enterprise Zones (EZ) but consternation that funding has been deferred due to the Governor's own incentive proposal. Mr. Lehn strongly urged the Partnership board and community members to not let the EZ funding slip away; the business credibility of California is at stake due to the potential loss of funding that has already been promised to businesses. Handouts from [enterpriseCA.org](http://enterpriseCA.org) were made available.<sup>1</sup>

Mr. Weber commented that Mr. Lehn had made a strong case for the EZs, but it is known there have been abuses of the EZ programs in the past. Mr. Weber stated, "The governor's proposal includes a number of points that are very sensible. Are you aware of a reform proposal for the EZs that would curb the abuses, potentially freeing up funding to support the government proposal"?

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<sup>1</sup> <http://www.enterpriseca.org/downloads-2/>

Mr. Lehn noted that Assembly member Manuel Pérez supports the Enterprise Zones<sup>2</sup> and has proposed AB 28, which seeks to ensure the long-term sustainability of the EZ program by making specific, sensible reforms, such as limiting the size and scope of zones and adding provisions to make the program more transparent, effective, and accountable to both the public and local communities.

Mr. Weber further commented that the Bay Area and Southern California are organizing themselves around export opportunities, citing the Association of Bay Area Governments (ABAG) working with two provinces in China to identify opportunities for mutual investment. Mr. Weber noted, “This kind of thing takes so long it’s difficult for any of our counties to do this , has the CCEDC sought opportunities to increase exports or attract investment here”?

Mr. Lehn pointed out that as recently as a week ago the CCEDC had international trade as one of its key considerations. There have been recent trade missions such as the German chamber of commerce reaching out to major metropolitan areas where trade organizations representing their business communities have premier opportunities to get in front of targets in large markets. Mr. Lehn and others have been to China but have found it is extremely difficult to make something happen quickly.

With the arrival of Mary Renner, Genoveva Islas-Hooker and Luisa Medina, Secretary Dooley administered the oath of office to confirm their induction to the Partnership board.

Board members and guests introduced themselves after which Mr. Harper directed attention to the agenda.

#### **IV. Consent Calendar**

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Mr. Harper directed board members to page two of the board packet, asking everyone to note the dates of the next two board meetings, September 20 and December 6 noting the importance of member participation and engagement.

Dr. Powell moved to approve the minutes and was seconded by Mr. Weber; Mr. Dodd abstained.

#### **V. Update: San Joaquin Valley Regional Economic Forum**

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Mr. Dozier provided an overview on the SJV Regional Economic Forum (Forum), citing more than 250 stakeholders representing higher education, state and local government, business, workforce/economic development, and CBOs heard presentations on regional progress and economic opportunities in the San Joaquin Valley and participated in a priority-setting exercise. Building from the 2012 inaugural event that focused heavily on the Ag Value Chain, this year’s forum reviewed progress made in the region over the past year, and established the implementation priorities for the coming year. Forum speakers made presentations focused on Stewardship, the Regional Industry Clusters Initiative, local issues, and economic development paradigm. The theme of the event was “Creating a great place for business and people”.

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<sup>2</sup> <http://asmdc.org/members/a56/news-articles/state-should-maintain-enterprise-zone-program>

Rather than simply take a traditional look at economic development as smoke stack chasers, the event challenged attendees to view economic development with a triple bottom line - economic, environmental and equity impacts. This approach was promoted through highlighting the need for greater stewardship by both public and private sector leaders. "Doing the right thing" for the Valley requires a commitment to human development, as well as economic development. Fresno Attorney Doug Noll's presentation explored the connectivity of both and how success cannot occur in one without the other.

Noting that a portion of the support for the Forum is through an EDA grant, Mr. Dozier concluded by recommending that board members review the video and priority lists on the Partnership website<sup>3</sup>

Ms. D'Adamo asked Mr. Dozier to comment on areas of the Valley that are better at using the Partnership as an ally and resources. Mr. Dozier responded that more and more counties engaging with the Partnership; even the two most remote counties, Kern and Stanislaus strongly on board. No one seems hesitant to partner and there is more and more willingness to seek out the Partnership.

Mr. Konczal asked if ag sector surveying is a part of the grant data collection activities, commenting, "It's critical that we accurately capture and classify ag workers who are currently all categorized as "unskilled labor". In many cases these are not "unskilled" workers, they simply have skills that do not fit the current models.

Mr. Dozier took the action item to provide Mr. Konczal a copy of the EWD's Centers of Excellence California Targeted Industry Reports<sup>4</sup> Economic and Workforce Development through the California Community Colleges.

Secretary Dooley commented that the State of California is working vigorously to more broadly engage government and universities with issues of the San Joaquin Valley, agriculture and the survey of the skills.

Mr. Harper joined Mr. Dozier in thanking all of the SJV Regional Economic Forum (Forum) sponsors, then asked if there are any other events Partnership in 2013 likely to need sponsorships. Mr. Dozier indicated none other than the remaining board meetings (September in Kern County; December in Stanislaus Count), noting that board members invest their time and talent as well as dollars in helping make the Valley a better place to live.

Mr. Dozier took the action item to send the list of priorities developed at the Forum to board and Valley partners (also available at the Partnership website).<sup>5</sup>

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<sup>3</sup> <http://sjvpartnership.org/about-us/san-joaquin-valley-regional-economic-forum/>

<sup>4</sup> [http://www.ccewd.net/industry\\_reports.cfm](http://www.ccewd.net/industry_reports.cfm)

<sup>5</sup> <http://sjvpartnership.org/about-us/san-joaquin-valley-regional-economic-forum/>

## **VI. Broadband Update**

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Ms. Audino provided an update on the upcoming CPUC Grant application process and the IBM Smarter Cities Challenge grant.

## **VII. County Panel**

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In his presentation, A Snapshot of Kings County, EDC<sup>6</sup> President/CEO John Lehn extended kudos to the Partnership for helping bring the Valley closer together as a cohesive, coherent entity. In his overview of Kings County, Mr. Lehn described the workforce as 35% government employed between Naval Air Station Lemoore and the three state prisons. A secondary, but equally important employer is agriculture including the ag value chain of production, transport, process and value-add processing. Manufacturing is a growing segment of employment in the area. Unemployment, at 13.8%, is down two full percentage points over a year; things in the Valley are getting better.

Darrel Pyle, city manager of Hanford, presented What's Happening in Hanford. The City of Hanford, originally settled by the Southern Pacific Railroad, was incorporated in 1891 and quickly grew to become one of the bustling cities of the West, ultimately established as the county seat for Kings County. In describing the city and its character, Mr. Pyle observed that the Kings County economic strengths are also economic weaknesses; there are economies of scale but there is also susceptibility in concentrated industries.

Kings County Farm Bureau executive director, Diane Friend, greeted the board with a garden fork, in hand, announcing "...almost everything on your dinner plate came from Kings County, or could have". Kings County hosts over 1000 agri-businesses and farm bureaus in its nearly 1400 square miles. Kings is unique because the "big forks" are invited to the discussions of issues of land use, policy, procedure and regulation; these discussions include outreach from cities and towns as well as USDA and other agencies. Ms. Friend encouraged other counties and communities to reach out to their local ag constituents for comprehensive discussions about the same issues. Ms. Friend noted that more young people are coming into ag than before; these are smart, well-educated and motivated people seeking new answers to old issues. Asset transfer from older to younger generations is now happening in 5-10 years (vs 10-30 in the past) and technology is helping to drive the faster transfer. Technology is changing the face of agriculture and energy opportunities on farm land will help bring income and involvement of rural landowners.

Trends impacting Kings County include new concentrations of small, high-capacity and boutique or niche market farms that are successful. There are significant cropland changes with the departure of established farms and dairies creating ripple effects. Land values gone from \$2-5K/acre now at \$25-30K/acre from foreign investors. Local governments need to understand they're the protectors of the land; the ag sector is one to preserve not just because it creates jobs but because it's an important component and fabric to the jobs to be created beyond the

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<sup>6</sup> <http://www.kingsedc.org/aboutedc.html>

land itself. California already has a 30% deficit in ag workers. Referring to the agenda topic on water, Ms. Friend advised the board "...we need to look beyond just needing water for our communities; we need to look at water as a safeguard against having our produce imported from foreign countries because we can't grow it here anymore. Counties need to consider their ag sector as more than just the immediate impact".

Ms. Islas-Hooker stated she is the child of a farmer and is herself a child health advocate. Noting the Valley has a high percentage of childhood obesity and diabetes which, at the core, derive from poor nutrition, she commented "The best treatment for malnutrition is good nutrition; we need to think about how to get good nutrition back into the rural communities".

Ms. Friend agreed, noting developing specialty block grants will help encourage local food sheds and local community gardens. Ms. Friend further commented that Big Ag is involved with helping the poorer communities with 90% of all food going into local food sheds and Food Link coming from local large ag donations.

Nick Ortiz, Manager, Production Regions and Property Tax Issues of the Western States Petroleum Association presented slides on Hydraulic Fracturing and Energy Production in California.<sup>7</sup>

Ms. D'Adamo thanked Mr. Ortiz for his excellent presentation on fracking, noting the public discourse helps to clarify what it really is and what the risks are.

Mr. Konczal added his thanks and asked, "Under current regulations, can fracking happen without the state being involved?" Mr. Ortiz responded in the negative, noting that no well can be drilled in California without state level approval, but there is no checkbox requiring that the act of fracking be reported.

## **VIII. Lunch**

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## **IX. Discussion: Partnership Board Status**

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Ms. Dabbs directed board members to their handouts to discuss the current configuration of the board noting the day's appointment of six new board members and reappointment of two others. But that leaves a concerting number of empty or near-empty seats: 18 seats pending, expired or vacant; 7 seated members with expired terms and 5 seats completely vacant.

Mr. Harper strongly encouraged board members to recommend nominees for open positions on the board and thanked those present for their continued service, even when serving in an expired capacity.

Mr. Dozier took the action item to have staff update the document to include new appointees and the vacant seats and send it out to expired/expiring board members. That message will

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<sup>7</sup> [https://www.wspa.org/sites/default/files/uploads/documents/Industry%20Issues/Hydraulic\\_Fracturing\\_FactSheet.pdf](https://www.wspa.org/sites/default/files/uploads/documents/Industry%20Issues/Hydraulic_Fracturing_FactSheet.pdf)

include a reminder of application process and recommendation to start the process 90-120 days prior to expiration of their term.

Mr. Harper urged all expired or expiring members to reapply for appointment, announcing his intention to re-apply and was joined by Mr. Gordon.

## **X. Valley Water**

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Mr. Weber introduced Dr. Jerry Meral, Deputy Secretary of California Natural Resources Agency as the man who has been doing the leg work on the Bay Delta Conservation Planning. Gerald Meral, Ph.D. was appointed Natural Resources Agency deputy secretary for the Bay Delta Conservation Plan (BDCP) on Jan. 19, 2011. Dr. Meral is charged with guiding completion of the BDCP to restore the Bay-Delta ecosystem and to create water supply reliability for California. Dr. Meral's résumé includes time as deputy director of the California Department of Water Resources, executive director of the Planning and Conservation League, and director of the western water program of the Environmental Defense Fund.

Dr. Meral announced his purpose today to explain what the BDCP, why it is important to the San Joaquin Valley and to provide an update on what is currently happening.

County water conservation plans are usually designed to develop land use development patterns that address endangered species, and once developed are pretty static.

When developing the Bay Delta Conservation Plan it became evident that operating a state water project plan measured against endangered species drove great uncertainty. State and Federal water projects are huge and important source of water to the Valley (combined, these projects can provide 80-90% of the water used in the western Valley; 20-40% of the water supply in the eastern Valley). Continued operation of the state and federal water projects is vital to survival of the San Joaquin Valley. The goal of the plan is to stabilize the water sources for the state.

Habitat conservation plans are historically terrestrial. BDCP is both terrestrial and aquatic; the flow of water is the regulatory method by which habitat is managed and protected. The legislature created co-equal goals in the 2009 water package—ecosystem restoration and water supply reliability—and people forget that the Legislature also wanted to respect the Delta as an evolving place, and not ignore the fact that a lot of people live, work, and recreate in the Delta.

Those are important goals, and they were adopted by the legislature after the beginning of the Bay Delta Conservation planning effort. We've adopted those goals as part of BDCP and have successfully convinced the federal government, even though it's not a part of federal law, that those goals should be respected by federal agencies as well. They're referred to pretty uniformly by all the players.

Conservation Measure 1 is the proposed tunnel project. Adding a new diversion point in the north delta gains a great deal of flexibility in external water projects.

Dr. Meral encourages everyone to tour the Delta calling it "...sort of our Serengetti, converted from a tule marsh since the 1800's; the resultant peat soil was good for farming but over time it

goes away and the ground level ranges from sea level all the way to 30 feet below the sea level. The levees are relatively unstable and occasionally break which allows for sea water incursion which reduces the quality of water available for export.

Government has historically stepped in to repair the levees, but there is no guarantee this will continue. Potential seismic disaster (earthquake) could cause widespread failure which would impact water quality for multiple years having a \$10billion impact per year on the San Joaquin Valley due to water loss. A sudden cutoff of the entire delta water supply is itself a disaster.

Selection of a project for completion has significant employment opportunities (10,000 jobs estimated over 10 years for the construction). But the greater employment impact is anticipated to be for the west side and much of the Valley.

The 1982 project was referended and voted down and the current version of the BDCP has been ongoing for 7 year. Dr. Meral referred board members to the BDCP website for the plan and accompanying studies<sup>8</sup>.

The current timeline is to publish the actual plan proposal in October for public comment.

Dr. Meral advised the board of the importance of letting politicians know how important the water projects are. .

When asked about opposition to the BDCP Dr. Meral responded, "If you build tunnels or canals at the Delta there is fear the delta area farmers will be impaired or injured. The state and federal governments have invested hundreds of thousands of dollars in managing/repairing the Delta levees and there is fear that having alternate water sources would reduce willingness to continue that repair. There is also the issue of Northern Californians being unwilling to part with "their" water.

Mr. Weber commended Dr. Meral and the Administration for supporting this initiative, especially for the Valley but also on behalf of the entire state.

Mr. Weber explained, for benefit of the new members, the Partnership has had a water work group in place since 2005. Two key board members were from south Kern and north San Joaquin counties and the assumption was if you could reconcile those two positions you could reconcile the issue for the state. It took a long time to happen – decades of water wars in California helped foster that resistance – which was finally overcome by circumventing the idea of isolated conveyance and were able to reach a consensus and understanding.

According to Dr. Meral, the simple narrative is that California's water system is in crisis. But very few people truly understand that. What is needed is a comprehensive plan that addresses all the people and all the categories of user. Once the current preparation and application process is completed the implementation will take ten years so the goal is to minimize the opportunities for litigation which would impede the process. Between now and then we need some short term fixes. The total of all the costs to do all the things necessary for a

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<sup>8</sup> <http://baydeltaconservationplan.com/Home.aspx>

comprehensive plan, as well as short term fixes, greatly exceeds the \$14million bond issue, being closer to \$40-50M. All major infrastructure projects must be done in phases, and Phase 1 should include near term solutions and some of the required components of the comprehensive plan. Stated Dr. Meral, “Big pipes aren’t much good in dry years and in wet years we need storage for the water”.

There is support from a number of key players and water interests in California. But everyone is waiting for the big speech with the framework for how the details are going to be worked out so the various interests around the state have their concerns assuaged.

Referring to the Temperance Flat project<sup>9</sup> Dr. Meral noted the importance linking it to the BDCP. Integrating it to the Valley and the tunnels doubles the water supply of Temperance Flat so it can supply a broader range of needs.

Dr. Powell asked what is preventing the administration from moving faster, knowing that disaster is coming.

Dr. Meral pointed out main reason it’s going so slowly is the diversity of agencies involved all of whom have to issue separate permits, noting the Obama administration is helping to hasten the process.

Ms. D’Adamo pointed out she has been working on water issues for a long time; it may seem slow but the goal really is closer than it has been due to the efforts of Dr. Meral and Governor Jerry Brown. Ms. D’Adamo thanked Dr. Meral for being attending the meeting and presenting the BDCP. To other board members Ms. D’Adamo noted how useful it was to have the presentation here; pointing out it probably gives you a good idea of how difficult it is to explain. There will be a need for public education as the plan progresses, Ms. D’Adamo encouraged the board to not hesitate to ask for someone from Resources to assist with any presentations.

## **XI. Public and Board Comment and Meeting Feedback**

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No public comment or feedback.

## **XII. Adjournment**

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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 the meeting was adjourned at 2:00pm.

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<sup>9</sup> [http://www.water.ca.gov/storage/docs/USJ%20Project%20Docs/Temperance\\_FAQ.pdf](http://www.water.ca.gov/storage/docs/USJ%20Project%20Docs/Temperance_FAQ.pdf)