



Meeting of the Board of Directors

Friday, September 12, 2008

10 a.m. to 3 p.m.

University of California, Merced Campus

Merced, California

MEETING MINUTES

Present: Secretary Linda Adams, James Aleru, Lee Andersen, Frank Bigelow, Marcelyn Buford, Andrew Chesley, Secretary Mike Chrisman, Chair Connie Conway, Kathleen Crookham, DeeDee D'Adamo, Frank Gornick, Fritz Grupe, Barry Hibbard, William Ing (Representing Secretary Kim Belshé), Farrell Jackson, Secretary A.G. Kawamura, Brian McGowan (Representing Secretary Dale Bonner), Sunne McPeak, Luisa Medina, Michael Navarro, David Quackenbush, Jeff Rowe, Lorraine Salazar, Paul Saldana, Assistant Secretary Vince Stewart (Representing Secretary David Long), Undersecretary Cindy Tuck, Ray Watson, Pete Weber, Georgeanne White (Representing Alan Autry), Jeff Wyly (Representing Secretary Victoria Bradshaw)

Legislators: Assemblyman Juan Arambula, MaryAlice Kaloostian (Representing Sen. Dave Cogdill)

Staff: David Hosley, Ashley Swarengin

I. Convene Meeting & Introductory Remarks

Chair Conway called to order at 10:13 a.m. the meeting of the Board of Directors of the California Partnership for the San Joaquin Valley (Partnership). Chair Conway thanked participating legislative representatives for their attendance and participation.

Chair Conway introduced Dr. Steve Kang, Chancellor of the University of California, Merced Campus. Dr. Kang welcomed the Partnership to UC Merced, described highlights of the school's growth since its 2005 opening. Dr. Kang announced the appointment of Dr. Maria Pallavicini as the head of planning for the new UC Medical School and expressed his appreciation for the tremendous support of the Valley and the Partnership in the telemedicine and medical school endeavors.

II. Self-Introductions

Members of the board introduced themselves followed by the introduction of the public.

III. Review and Approval of Minutes

Mr. Grupe moved to approve the June 13, 2008, minutes as presented; Mr. Hibbard seconded the motion. The motion passed unanimously.

IV. Follow-up Items from June Meeting

Ashley Swarengin advised that the PreK-12 Work Group continues to make good progress. Page 14 in the Board packet articulates the work group's clarified priorities, actions and owners. The Partnership is committed to helping the work group in support of the Governor's Committee report. Ms. Swarengin affirmed the Partnership's commitment to work with the Office of the Secretary of Education to determine programs that can be implemented in the San Joaquin Valley. Mr. Stewart recommended that the Partnership meet with the Office of the Secretary of Education to determine how best to meet those efforts. Dr. Walt Buster agreed to work with the conveners and work group to coordinate. Ms. Swarengin reminded the Board that the work groups will need help with funding to accomplish some of the objectives.

Dr. Buster discussed a pilot project in which the first San Joaquin Valley community college district, along with all high schools in its service region, would participate in Cal-PASS. The intention is to begin the project in a small area to be used as a model throughout the entire San Joaquin Valley. Dr. Gornick advised that an initial meeting will be held on Sept. 19 with representatives from the Partnership and West Hills Community College District (WHCCD) inviting PreK-12 Education Work Group members, Superintendents, High School Principals, and District IT Leaders in the WHCCD area to learn about this pilot project.

The PreK-12 Work Group provided a draft resolution endorsing recommendations of the Governor's Committee on Education Excellence. The recommendations are in alignment with the Partnership Strategic Action Plan (SAP). The specific recommendations will be discussed with the Office of the Secretary of Education. Mr. Weber moved to approve the resolution; Ms. Crookham seconded the motion. Ms. Medina abstained; the motion passed.

Dr. Buster announced that plans are well under way for a "*Regional Exemplary Practices Conference: Achievement Gains in the San Joaquin Valley*," to be held Jan. 13, 2009 on the CSU Fresno campus. The conference is designed for San Joaquin Valley leaders in PreK-12, higher education, business and communities interested in improving PreK-12 Education. Conference sessions will be organized into strands on the following topics: English Learners, Post Secondary Pursuits, PreK, Data Systems, Computer Literacy, Reading and Math, Teacher and Administrator Training Initiatives, and Community Collaboratives and Partnerships in Education.

Mr. Grupe commented that San Joaquin County has a program called San Joaquin A+ that honors teachers who have an exemplary program. Mr. Grupe suggested that when good programs exist and are already working, sharing information is great. However, it makes more sense for other districts to implement similar programs rather than develop entirely new programs. Secretary Chrisman echoed Mr. Grupe's comment, reaffirming that the counties should take advantage of and capitalize on existing successful programs. Secretary Chrisman further commented that the California Teachers Association should participate in developing Recommendation 1: Implement a Professional Model for Teaching.

Dr. Buster responded with a request that Board and audience members contact him with information about people and programs that are successful in education as well as people who should be invited to the Exemplary Practices Conference. Mr. Stewart recommended that the Exemplary Practices Conference information be sent to all County Offices of Education.

V. Priority Work Group Updates

Water Quality, Supply and Reliability: Mr. Watson introduced Sarge Green, Water Project Coordinator at the California Water Institute, who commented that there is a looming water disaster in the state. The Water Work Group slide presentation provided an update on the plan and water conditions.

Mr. Watson reiterated that the original mission of the work group as stated in the SAP is to help the eight San Joaquin Valley counties to develop a quality, reliable water program to support families and business. Mr. Watson advised that the objectives of the work group have been expanded to include the Delta and the Proposition 84 fund restrictions from entities not formally acknowledged as an Integrated Regional Water Management Plan (IRWMP). The San Joaquin Valley is significantly covered with IRWMPs, thus positioning better for Proposition 84 funds.

Mr. Green indicated that Proposition 84 is currently a "moving target"; funds can be accelerated for targeted efforts, but will not change the allocation regarding access for the IRWMP process. Some entities may have to re-do their plans if guidance changes.

The Partnership SAP called for three core activities for the Water Work Group: 1) Facilitation of an IRWMP; 2) Projects to investigate water management integration strategies; 3) Stakeholder meetings to address the future of the San Joaquin Delta including issues of conveyance. Mr. Green's presentation provided a detailed update on activities in support of each area.

Mr. Green elaborated to include that the San Joaquin Valley shares similar circumstances with many other areas in our need to push out bad water and preserve the good (recharge). Coastal areas have to manage seawater intrusion similar to Valley areas and require similar kinds of groundwater recharge areas. Orange County is using desalinated reclaimed water to recharge local aquifers. The San Joaquin Valley is the "eye of the storm" between the needs of the Northern and Southern State. The Tulare Basin IRWMP has applied for Prop 84 basin-wide funding, plus an additional \$60 million to support implementation projects, groundwater improvement strategy and improved rural water supplies.

Mr. Green commented that the Tulare County Rural Water project has submitted a grant application to the Environmental Protection Agency (EPA), and asked for assistance from the Board to relay their individual support to the EPA. Ms. Swearingin committed the Partnership Secretariat to follow up on the status of this grant.

Dr. Gornick asked how the two slides, Quality of Groundwater and Regional Groundwater Conditions, relate to each other. Mr. Green responded that the issues in Delta involve sea salt incursion which impact quality. .

Mr. Watson reported that in addition to working on the IRWMP process, major levee enhancements in the Delta are also elements of the Delts Vision SAP. State water issues have continued to escalate around the Delta. UC Davis resources are warning of potential collapse of the levee system in the Delta due to natural disaster. Salt water incursion is jeopardizing the Delta water quality which is further impacted by drought conditions. Mr. Green reported that the Delta Vision plan is now on its fourth revision. Mr. Green also highlighted the need to have some kind of resolve regarding the Delta due to conflicting federal decisions regarding endangered species and current drought conditions which have not been seen since 1977.

Mr. Watson advised that there is a \$35-50 billion potential impact to the state economy if the Delta fails. Water storage in the San Joaquin Valley is very low; by the end of this calendar year. Lake Oroville, a key resource, may be even lower than the 1977 level. California is in the top five historically dry years; the San Joaquin and Sacramento River systems are both heavily stressed. As of September 2, 2008, there's an estimated \$260 million in crop loss and about 80,000 acres lost due to drought. Mr. Green spoke about the Drought Water Bank, indicating that interested buyers must sign up and would then be allocated water use depending on water conditions in 2009.

Mr. Watson further commented that the work group objective is to develop a unified position for all eight counties in the San Joaquin Valley and to find technical solutions to provide a viable supply while protecting sustainability and conveyance. Mr. Watson commended Mr. Voiland, technical group facilitator, and members Mr. Grupe and Ms. D'Adamo for their support. Although there is more agreement than disagreement, the challenges are due to conflicting impacts and interests of the Delta counties versus San Joaquin Valley counties. The requirement to increase wet-year water storage is recognized. The biggest disagreement is how to transfer the water to the storage sites, with the challenge of getting funding to build the storage sites. The issues around transfer include the location and impact if water is taken from a single area; single-source storage degrades the quality of the water and its environment.

Secretary Chrisman complimented the Water Work Group and the Partnership for the quality of their effort in this important work. The Valley's substantive engagement and working together is

critical to the success of this long term effort. A key to success of the Feinstein/Schwarzenegger bond (\$9.3 billion general obligation bond) is movement in the legislature. Absent a State budget there will not be a water bond but there is still a window of opportunity to place such a bond on the ballot.

Ms. McPeak commented to underscore the importance of the work of the Partnership which was elemental in getting close to agreement and a reasonable solution. Ms. McPeak complimented all involved in the work group and the staff of the water institute in the significant progress to date. Of particular note is the work group's success in gaining commitment and engagement of local/regional officials. Without this work at the Vision Task Force level there would not have been the quick coalescence around the two major elements; viability and supply reliability (export). Without export the rest of the state cannot benefit when the Delta has surplus; without storage the environment cannot be protected. Storage and conveyance are critical elements to the final version of draft 4 of the Delta Vision plan (due out in October). Ms. McPeak applauded the efforts of the work group to get the water bond back onto the ballot, hoping it will be a voice not only for working on conveyance but also a good water management resource plan and not allow public debate over only facilities.

Secretary Linda Adams also commended the Partnership and Water Work Group for a comprehensive look and collaborative efforts. Having worked with Congressman Costa on "water wars", Secretary Adams expressed concern about water quality and thanked the group for their efforts on behalf of disadvantaged communities. Water bond funds need to provide continued funding to support disadvantaged communities' programs for groundwater quality and wastewater treatment initiatives. Secretary Adams reiterated the importance of protecting lands that have opportunity for groundwater recharge. Orange County groundwater is recharged through injection wells; the work group should be looking at this as a solution to help focus bond funding.

Secretary Kawamura reminded the group that San Joaquin County alone is the 8th largest agriculture producer in the entire country. Everyone looking at the Valley, what is being done and how, must continue to include and invest in the future of Agriculture. The Delta is often seen as a "place", but it warrants co-equal consideration of water use to protect the environment as well as water as useable by the population for drinking and sanitation. Agriculture straddles those two areas; urban areas need to understand the role of agriculture in supporting the environment. California agriculture production is dropping due to water restrictions, this restriction impacts production and the state economy. The bond project is an investment with both environmental and economic payoff. Secretary Kawamura urged the Partnership to learn from someone else's crisis, not repeat history's lessons.

Ms. White stated that the debate about Agriculture and water has been going on in Sacramento for years; the bond will take money and that requires votes. A presumption that water can and should be taken from agriculture and reallocated to the general source is not acceptable. Many legislators don't connect the linkage between agriculture and the economy of the State. It is important to clear up the misperception that water is going to "corporate agriculture". Ms. White recommended that the Partnership use all of its relationships to reach out to legislators to inform them on the role of agriculture in the San Joaquin Valley and its importance to the entire State.

Ms. D'Adamo commented that the committee and the congressional district is the most diverse in terms of agriculture elements and water stakeholders and is tremendously useful in terms of getting all the interests around the table to articulate concerns and issues. Ms. D'Adamo commented that Mr. Green's chart showing the difference between this year and 1977 is actually worse than it appears because the conveyance issues did not exist in 1977.

Mr. Grupe added that it is important to talk to legislators about the management component of the water bond, not just storage, quality and conveyance issues.

Ms. McPeak confirmed that many legislators don't fully understand what a critical role water management policy is on this issue. There has been vigorous debate but not a full appreciation for the role of agriculture in California's economy among the stakeholders. California's involvement in the global economy and food supply make it foolish to pave over our farmlands. When preparing the SAP the Partnership looked at all the economic sectors with a firm commitment to the elements of agriculture; food production, food processing, and even green energy. Ms. McPeak articulated the need for justification and explanation for evolved land use and stewardship.. It would only take a few sentences in the Bond to also address water management.

Secretary Chrisman reiterated that it is up to the Partnership, the Water Work Group and our constituents to engage with and educate the legislators.

Secretary Chrisman further commented that members of the Delta Vision task force recognized communication with the surrounding five counties and governments can be improved upon. The task force is meeting monthly with those stakeholders to keep them informed about the IRWMP and Delta Vision activities.

Mr. Weber asked about the plan of action. Mr. Watson responded that much of the plan goes back to the IRWMP. Focus has been on the Delta but that is not the whole part of the plan. The Delta Vision task force is trying to negotiate middle ground with the Delta who is pushing back on being the majority of the solution (e.g. desalinization, brackish-to-fresh conversion, etc). There are so many parties looking at their own issues; they lack visibility to what the rest of the state is doing. IRWMP's can tend to turn into project lists; integration across the entire state is necessary to address the big picture. Technical solutions and management need to be brought together after which it becomes a marketing effort to the rest of the State.

Mr. Watson continued that the Delta Vision technical committee hopes to reach an agreement on these issues; agreement will necessitate a statewide marketing campaign. Mr. Watson expressed concern that the State is not yet ready for a water bond. Mr. Watson recommended articulating clearly the connection between the portion to be funded now with the bigger picture to reassure the Delta that they aren't seen as the only solution.

Secretary Chrisman suggested that the group is ready, has to be ready, for a water bond and must get to the legislature to encourage the passage of the water bond. Getting the budget done is the highest priority followed by a water bond.

Assemblyman Juan Arambula concurred that we are as close to a deal as we have ever been; it's better to try to reach a compromise even though all details are not worked out. Senator Feinstein's proposal included the creation of a 'water commission' for oversight; and administrative agency with independence and staff that could make recommendations, similar to the California Transportation Commission with independent oversight. One of the compromises discussed involved the water commission making recommendations for consideration by the Legislature which would ultimately be supported unless specifically overturned by the Legislature based on specific, limited reasons. There are still concerns about how to pay for such a bond; the Legislature didn't universally understand that this is a more broad benefit for the overall state and is not limited to a specific industry or geography. AB 8XX is close to reaching agreement and an additional \$250 billion has been requested for disadvantaged communities.

Secretary Chrisman encouraged the Partnership to talk to Valley legislators; this is a good proposal to focus on continuous appropriations and general support of this regional compromise, He recommended that the Partnership should articulate its support of continuing appropriations.

Mr. Weber proposed that the Partnership put together a presentation that tells the story of agriculture and its impact on the State; a presentation suitable for Valley and other legislators to increase their level of understanding. Mr. Watson and Ms. McPeak agreed to draft language for circulation to the Executive Committee and the Board for approval, and then the Partnership will formally submit to the appropriate people.

Mr. Watson and Mr. Green concluded the Water Work Group presentation with a final slide that reiterated the following points: 1) The Partnership is providing value to unify the Valley; 2) Solutions to water issues must include the human element; 3) We need to invest in infrastructure and skills to support, maintain and extend that infrastructure.

Dr. David Zoldoske with the California Water Institute advised that there is a \$1 million earmark moving through the system to add workforce development to the mix. The Valley needs secondary and university-level training and career paths for future water professionals; CSU Fresno has proposed such a program which is under consideration now.

Ms. Swearingin asked what action items the Partnership takes from this discussion.

Secretary Chrisman recommended the Executive Committee provide specific language for the Legislature in support of AB 8XX. Given the Legislature's historic, and understandable, reticence for "continuous appropriation" it is important to work with Valley leadership to clearly articulate the needs.

Mr. Weber moved the Executive Committee draft specific language supporting AB 8XX and e-mail the full Board for review and input. Mr. Watson seconded the motion which was unanimously approved. Mr. Weber further recommended that the Water Work Group and Partnership create a presentation on the integration and importance of water and agriculture to California's economy.

Transportation: Carrie Pourvahidi with the High Speed Rail Authority thanked the Partnership for their vigorous support of AB3034 and its passage. Ms. Pourvahidi specifically mentioned the efforts of Mr. Weber, Mr. Bigelow, Mr. Autry, Mr. Chesley and Ms. Stevens; on behalf of the Authority, she thanked all who helped make it happen.

Mr. Bigelow advised that the Transportation Work Group is meeting quarterly. As reported at the last Board meeting, focus has been on High Speed Rail HSR. The work group expects success of AB 3034 in the November election and is focusing now on the transportation corridors. There is increased collaboration with Council of Government (COG) directors to ensure key stakeholders, including elected officials, are not missed. Regional Economic Models is consulting for Highway 99 (67 projects) with drafts currently under review by the work group.

Mr. Saldana advised that the southern valley COGs have been working on a conceptual plan for a 3rd rail line along the eastern Valley corridor.

Mr. Weber extended his appreciation to Senator Cogdill and staff for coordinating with the Partnership to overcome the roadblock of budget formulation and for their success in changing the formulation.

AIR QUALITY: Mr. Weber advised that the Air Resource Board (ARB) truck rule is vitally important to the success of the State's commitment to air quality. The difficulty is that the rule would economically devastate the Valley so the Partnership is communicating with government to find additional funding to assist with compliance. The estimated cost of compliance is \$1.4 billion above the baseline number, which may be an understatement. Senator Lowenthal shows no predisposition to accommodate the Valley needs; another major funding source is AB 2522.

Secretary Kawamura commented that there was a lot of work done in the Farm Bill to incorporate additional requirements; this may be an opportunity for a similar incorporation effort.

Mr. Weber responded that Partnership efforts have effectively raised \$100 million in support, some of which came from the farm bill. When the ARB made its commitment for emission reduction, the assumption at the time was that 25% of the trucks that are creating those reductions were from out of state. The hypothesis was those trucks need the least amount of remediation as they are replaced more often. Research shows that 57% of the emissions are from out of state trucks, thereby increasing the burden of compliance on California transporters.

VI. In Depth Work Group Reports

Land Use, Ag and Housing (LUAH): Mr. Hibbard reported that the work group continues meeting quarterly and is making good progress toward its goal to support and promote an overall regional consensus vision on the following elements: 1) Housing Trust – affordable housing; 2) Agriculture – land preservation & conservation (farmland trust); a balance between agriculture and housing; and 3) the Blueprint process – what do communities want in the shape and location of new developments?

A Blueprint plan is close, but the analysis is not complete; the next step is a detailed plan.

Mr. Hibbard confirmed that amongst the members there is great discussion about size, shape and scope of development: the recurring questions are: 1) what makes great, sustainable communities? 2) Is there a place in the Valley for new towns? The answers continue to be yes; but if development continues that way it has, communities will overrun agriculture. A new town needs to include a job/housing balance, a sense of community, connectivity to metro areas, and has to be in a location that makes sense in terms of water, air, connectivity, and agriculture. In going through the Blueprint process, participants are asked to consider size, location and the scale of new communities. This is an opportunity to look at how people see “community”; “place making” incorporates open space, connectivity, and wild lands with those elements of community. The Blueprint process and SB 375 may be the incentive for people to change.

Mr. Hibbard also advised that both LUAH seed grants are making good progress. Mr. Hosley commented that the Great Valley Center (GVC) works with the Blueprint regional advisory committee.

Mr. Hibbard indicated that the Blueprint is now entering a critical period, moving from the eight alternatives selected by the counties, to trying to assemble, under Blueprint Regional Advisory Council (BRAC), a single plan for the San Joaquin Valley. Not all the counties have yet selected a preferred alternative.. Kern, Fresno and Merced counties have selected and did a commendable job of assessing and selecting. UC Davis continues to develop five scenarios (status quo; general plans with integrated elements; transit focused, urban centered and compact growth). Status quo plans, based on existing general plans, do not meet the criteria of reduced vehicle travel, reduction in greenhouse gases, or other measures of effective, high functioning region. There is a BRAC meeting in November followed by a summit January 26, 2009 to assess scenarios, especially the BRAC recommendation. Mr. Hibbard further commented that several county COG boards are not comfortable with the process so the group may end up with a Blueprint in summer 2009 that is not necessarily based on regional agreement but more on fear of SB 375.

The eight counties are involved with varying levels of focus, priorities, politics and resource commitment. The work group believes there is value in greater outreach and communication over the next six months but is unable to reach consensus among the stakeholders about the advisability of same. There is still hard work to be done with the BRAC and getting planners on board with the alternatives, then go back to the constituents.

As good stewards of the Partnership we need to recognize that this is a long-term effort; and need to train next generation of leaders. GVC has developed a course for community and regional planners; the course is being assessed for integration into UC Merced curriculum. GVC summer intern Maya Chavez presented the results of research she did on all regional planning courses offered across the education system. That research resulted in a \$16,000 grant from UC Merced student body for the creation of Students for the San Joaquin Valley, an organization to support speakers and volunteers in community. This student organization has also developed a renewable energy tour to showcase Valley best practices for reducing draw on energy system.

Chair Conway asked which counties haven't provided blueprint and commented that despite offering incentives, local governments fear interference from the blueprint process; staff is limited and resources constrained.

Secretary Kawamura commended the group's efforts at information gathering. The California Ag Vision program was developed out of a realization there was no overarching agriculture plan for the Valley, or for the State. The Ag Vision plans to extend to the year 2030. Secretary Kawamura commented that for five years the belief was that the Federal farm bill was not able to be changed. That belief was proved wrong with the integrated, focused engagement of the Valley; the Blueprint process may experience the same kind of success.

Secretary Kawamura further commented that due to the complexity of what California agriculture represents to the food supply of the rest country and the world it is not so easy to identify and define our agricultural system which is regional, local, organic and conventional. In addition to watersheds, California has log sheds, food sheds, air sheds, transportation sheds and energy sheds, all of which must be considered from a 21st century perspective.

Ms. McPeak commented that the San Joaquin Valley must show the rest of the state how to develop a meaningful vision and plan that integrates all the elements of air and water quality, transportation, infrastructure and "place".

Secretary Chrisman commented that GVC's vision of the education program is a great idea. He recommended that GVC also check with the UC Berkeley graduate school for resources; consider getting people from the business world to teach the students.

Ms. McPeak acknowledged that cooperation among communities and COGs is growing. Although the Governor is expected to sign SB 375, it could go one step further by requiring metropolitan areas to change the way they grow. Ms. McPeak commented that the Bay Area and Southern California want to grow but they don't accommodate enough housing so the Valley could be negatively impacted.

Workforce Development: Ms. Salazar advised that the work group has been working diligently and recognized the accomplishment in having 9 Workforce Investment Board (WIB) Directors collaborate on this effort. Ms. Salazar thanked Ms. Atwal for her support of their efforts.

Ms. Lassatter with the Fresno County WIB provided a slide presentation outlining the new www.careersinthevalley.com website and support activities. Mr. Rowe advised that the WIBs have historically done a good job of working with displaced workers but not in dealing with transforming the work force development system in the region. Workforce availability and qualification is the number one thing new businesses ask about.

Mr. Rowe commented that in order for the new system to be successful and meet the needs of businesses and the workforce, it requires commitment from K-12 education, higher education and the workforce. WIBs are starting to have these conversations with education and economic development to address the issues. The WIB needs an additional \$1 million in funding to

continue this work and have submitted a budget request to the state but these funds are unlikely. Mr. Rowe explained that the state gets 15% from the Workforce Investment Act and can use that in discretionary manner. Last year, there was a category for regional expenditure that this year has been deleted. The request may be able to fit under a new category but requires further investigation. Mr. Weber suggested a conversation with Secretary Bradshaw about the funding issue.

Mr. Weber also recommended that the work group add the unemployable to their agenda. Given the very high areas of unemployment in the state this is a population that requires an agency approach. Mr. Weber acknowledged that this was not a direction the work group took to begin with; they should continue to focus on sustainable work, sustainable wage jobs but also begin to look at solutions for the unemployable such as work skill development.

Secretary Kawamura commented that the Agriculture department did a great study on norms and needs of an agricultural workforce. That study tied together work, education, the Future Farmers of America (FFA) and community colleges, crafting the education processes to develop a qualified workforce. This work highlighted the disconnection between employer needs and the workforce and resulted in focus areas.

Mr. Hibbard asked what percentage of jobs is represented by service industries. Ms. McPeak observed that across the state the jobs driving economic expansion, those jobs which export products outside the region, will never constitute more than 25-45% of the jobs; the balance must focus on strengths internal to the local economy. Ms. McPeak recommended a focus on strengths in the economy to attract a continuing external economy with a net export from the local economy combined with "jobs readiness", preparedness to fill the skill and staffing needs in the local economy. Ms. McPeak cited the example of the Silicon Valley where growth in higher wage engineer jobs meets a commensurate growth in lower wage food service skill needs.

Assemblyman Arambula commented that he had read a survey about small businesses in California in which owners ranked their concerns. The issues of taxes and regulations were relatively high, but the number one issue was the cost of health care followed by quality of workforce. In October, the Administration will have completed a study to look at how to minimize the impact of regulation on small business. Assemblyman Arambula suggested it may be of interest to the Partnership to look at conclusions from that study.

Advanced Communication Services: Mr. Hosley provided an update slide presentation on the Pixley Project, a project to use broadband internet access and computers to educate Spanish speaking women with kids in junior high school; teaching the women to use computers and training the youth to provide extended Information Technology support.

Broadband is available to over 90% of people in the San Joaquin Valley. Pixley Digital Connectors focused on model projects that can be established and fine-tuned in a small group, then extended to other communities and scaled more broadly. Mr. Hosley explained that the intent is to take projects of demonstrated success and make them work in a macro way; from 16 people at a time, expand exponentially into a greater Valley market that is underserved such as the Spanish speaking populace. It is a significant element of the program that adults in the community are being engaged and are serving as models and advocates. Unfortunately there is not good understanding among elected officials as to the role that Broadband can have in the Spanish-speaking and remote communities

TELEMEDICINE: Dr. Maria Pallavicini, Dean of the School of Natural Sciences and now also Vice Provost for health sciences at UC Merced extended her thanks to the Partnership for being instrumental in getting UC Merced Telehealth and the UC Merced Medical School off the ground. In May 2008 the UC Regents approved planning for the Medical School; the Washington Advisory

Group consultants are laudatory of the basic plan which now needs fleshing out with curriculum development, faculty recruitment and development; infrastructure and site selection and independent review of capacity of the various sites to house and educate students. In July 2009 the Medical School will apply to the UC Regents for formal approval to implement the Medical School.

Dr. Pallavicini provided a slide presentation which included an overview of the genesis and development of the Telehealth project. Access to physicians is a significant health care challenge in the San Joaquin Valley, with great disparity in access to physicians and especially specialists. According to Dr. John Capitman with the Central Valley Health Policy Institute, Northern California has an average of 107 specialists per 100,000 residents; Southern California has 86 specialists per 100,000 residents. The San Joaquin Valley, with 43 specialists per 100,000 residents, has less than 50% of the rest of the state. This project increases access to specialty care by connecting patients with specialists by overcoming distance with technology.

Telehealth funding includes a Partnership seed grant, funds from the California Emerging Technology Fund (CETF) and AT&T. In addition, Proposition 1D funds will also be provided; these funds target those institutions that have an existing medical education program so UC Merced's portion is coming in through UC Davis. Proposition 1D will provide funding for sites not covered by the seed grants, approximately 19-25 sites.

Ms. McPeak described the California Telehealth Network to which the Federal Communications Commission (FCC) invited nation-wide proposals. The project requires 15% hard cash funds match, provided by CETF; as the work is done to get clinics and hospitals to sign up to be part of the network and sign formal letter of agency, the number of sites has grown to 202 in the San Joaquin Valley; the statewide number went from 319 to 800. When complete, this will be a robust network; much of it due to involvement of Partnership.

Mr. Michael Morris from the California Public Utilities Commission provided a slide presentation and update on Broadband availability in the San Joaquin Valley.

VII. Report from the Secretariat

Ms. Swearingin referred to the detailed seed grant reports in the Board packet. All conveners do feel satisfied at the progress being made, there are no red flags. Ms. Swearingin asked the Board to contact the Secretariat with any questions about the seed grant reports.

Mr. Saldana requested assistance from the Partnership in support of the Economic Development Work Group. The Economic Development Administration (EDA) has awarded a grant to support development of a San Joaquin Valley Comprehensive Economic Development Strategy (CEDS). The terms of this grant require a planning organization to oversee the group. Mr. Saldana asked the Partnership to serve as this planning organization whose primary role is to provide oversight and direction and ultimately approve the CEDS and actions to establish an Economic Development District (EDD). In order to receive federal funds, the San Joaquin Valley CEDS must advise the EDA that the Partnership has committed to provide oversight. Chair Conway moved to approve that the Partnership provide oversight and direction for the San Joaquin Valley CEDS project; Ms. McPeak seconded the motion. The motion passed unanimously.

Ms. Stevens provided an update on government relations. The Governor's proposed \$2 million for the Partnership in the May revise was preserved in the Assembly but not in the Senate. Valley members Villines, Arambula and Cogdill continue to support the Partnership. Assembly member Villines assured the board that funding will be in place to sustain the Partnership.

Ms. Stevens further reported that AB 2342 was held in suspense due to perceived “cost” of the bill and failed to meet deadline. The Governor’s office is working on an executive order to sustain the Partnership but expects the budget issues will distract from its priority level.

Ms. McPeak suggested proposing that the Partnership be supported for four more years then seeks a permanent funding relationship.

Assemblyman Arambula commented that the Board might wish to take a position on several bills that are pending such as AB 2522 to authorize Air Districts to increase vehicle registration fees. Assemblyman Arambula further commented that the Pixley project is an excellent way to model what can be done in other rural communities in the San Joaquin Valley and commended those involved in that project.

A third bill supported by Assemblyman Arambula is to provide low-interest loans and grants for water and sewer, not tied up with the general fund controversy.

Assemblyman Arambula suggested that between now and the end of the year is a good time to look at possible legislation for the following year. There will be a clean slate with new members in the legislature.

Mr. Weber recommended that the Partnership Secretariat make a request of all work group consultants to address the question of proposed legislation by Nov. 15. Mr. Weber suggested scheduling a PreK-12 meeting with Assistant Secretary Vince Stewart and staff to determine legislative needs.

Assemblyman Arambula outlined several hearings and events of interest to the Partnership:

- 9/18/08 - The Economic Strategy Panel hearing in Fresno at the Holiday Inn-Airport focused on green economy
- 9/26/08 - San Joaquin Valley - private equity funds and making them available to emerging investment markets at the Convention Center in Sacramento
- 10/2/08 - The Employment and Training Panel economic development hearing in Bakersfield on Oct 2 or 7 to focus on what the State can do to help small communities overcome employment and training challenges
- 10/7/08 – Assemblyman Arambula is convening a hearing with the Insurance chair on funding status of the unemployment insurance system
- 10/16/08 – The Employment Training Panel and WIBs are meeting regarding grants for employers in the San Joaquin Valley (non general fund)

VIII. Annual Summit and Report

Mr. Hosley provided an update on the annual report, requesting that the format as outlined be approved by the Board. Ms. Crookham moved to approve the format; Secretary Chrisman seconded. The motion was passed unanimously.

IX. Adjournment

The next regularly scheduled board meeting of the Partnership is scheduled for December 12, 2008, in Stockton, San Joaquin County, following the Annual Meeting on December 11. Chair Conway provided closing remarks and at 3:22pm adjourned the board meeting of the California Partnership for the San Joaquin Valley.