



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**
California Environmental Protection Agency
1001 "I" Street
Sierra Hearing Room, 2nd Floor
Sacramento, CA 95814
January 27, 2012

PANEL MEMBERS

Barry Broad
Chair

Carol Farris
Member

Sonia Fernandez
Member

Barton Florence
Member

Janine Montoya
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Sam Rodriguez
Member

Executive Staff

Brian McMahon
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Acting Chair, called the meeting to order at 9:41 a.m.

II. ROLL CALL

Present

Barry Broad (arrived after initial roll call)
Carol Farris
Janine Montoya
Edward Rendon
Janice Roberts
Sam Rodriguez

Absent

Sonia Fernandez
Bart Florence

Executive Staff Present

Brian McMahon, Executive Director
Maureen Reilly, General Counsel

Ms. Roberts introduced Carol Farris, the newly designated Panel member from the Business, Transportation & Housing Agency. Ms. Farris said she was very happy to be part of the Panel and she believes ETP is a very important program. She said she was delighted that she has the opportunity to weigh in on training and opportunities for the employees and employers in CA.

III. AGENDA

Janice Roberts, Acting Chair, requested that Tab #16 Shasta Regional Medical Center, LLC be removed from the Agenda and said the Proposal would not be considered at today's meeting.

ACTION: Ms. Montoya moved and Mr. Rendon seconded the motion that the Panel approve the Agenda, with the removal of Tab #16 Shasta Regional Medical Center, LLC.

Motion carried, 5 – 0.

IV. MINUTES

ACTION: Ms. Montoya moved and Mr. Rendon seconded the motion that the Panel approve the Minutes from the December 16, 2011 Panel meeting.

Motion carried, 5 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, welcomed Carol Farris the newest Panel member and designated by the Business, Transportation & Housing Agency. He announced that the review and action on the Apprentice Pilot Program guidelines is being deferred to the March 2012 meeting and he would provide a brief update on the status of that initiative.

Mr. McMahon said today's meeting includes a combination of single employer contracts and multiple employer contracts. He said no alternative fund projects are being reviewed by the Panel today. We continue to be very pleased with the number of proposals that come to us with job creation aspects to the projects. He said ETP's regional office managers are joining the meeting via conference call due to state travel restrictions. All of the projects will be presented by David Guzman, Chief of Program Operations and Rosa Hernandez, Sacramento Regional Office Manager.

In terms of the current budget year, we are not seeing any growth in the collections of the program or any loss in collections. The estimate that EDD provided in September 2011 is proving to be very accurate. In terms of the Fund Status Report before the Panel, the top line revenue number remains unchanged. Relative to remaining funds, should the Panel approve all the projects before it today, there would be approximately \$39 million in encumbrances, resulting in approximately \$31.8 million in available contracting for the remainder of the fiscal year. In terms of the project pipeline, we opened the application cycle in mid-July 2011, and since that time, we received approximately 506 core program applications. Of those 506 applications, 466 applications remain active. That is an estimated demand of approximately \$96 million. It is typical that gross demand drops significantly, but because projects are capped this year and we are not seeing the typical 40% reduction in demand, it is closer to 10% or 15%.

Mr. McMahon said, as was mentioned at the last Panel meeting, it was necessary for ETP to close the application process on January 16, 2012 for retraining, single employer, and multiple employer agreements. ETP will continue to receive applications for critical proposals, job creation proposals, small business and fast track, and there will be some holdover projects. He said the goal is certainly to encumber all of the funds available to ETP this year, which is between \$70 and \$71 million in projects. Hopefully, there will be a budget in place on July 1, 2012, which will allow ETP to hold June and July 2012 Panel meetings. We will not hold a Panel meeting in February 2012, but will meet March through June to get through the rest of our appropriation in the current year.

In terms of alternative funds, the AB118 allocation from the California Energy Commission under the Alternative Fuels and Vehicle Technology Program has taken much longer than expected to get appropriation authority to spend those funds. We now expect to have our first proposal to the Panel at the March meeting for AB118, but clearly we will not spend the entire \$4.6 million that has been allocated to ETP under that program. We are finding it is difficult from a

marketing standpoint, to identify projects that fit the narrow parameters of AB118, so we will go through a carryover process, and we hope to add some new dollars, most likely from the California Energy Commission, to that program.

ETP has been allocated \$1.7 million in WIA Discretionary Funds from the Labor & Workforce Development Agency. This has taken longer than hoped, but the Department of Finance signed off last Thursday for that use for these monies. We are completing the first week of a 30-day legislative review process on these funds. In order to get a program implemented, receive applications, get projects developed, and have the \$1.7 million encumbered in this fiscal year, which is ETP's goal, we need to move quickly in all of the stages of that program. Therefore, staff has developed guidelines for the program. We have developed a streamlined application, and it is our goal to get that information posted on ETP's website by early next week. We will have a relatively short application process for those monies, opening the application cycle on February 6 and closing it on February 29 to allow staff time to work those projects. The initiative is a blend of ETP's job creation program as well as our existing healthcare initiative. The key features of the program would be that the eligible trainees, similar to our job creation initiative, are newly hired employees that have been hired no more than three months prior to the Panel approval of the application and during the term of the agreement. We are fairly compressed in terms of the availability of these funds, so we are looking at about a 12-to-13 month training cycle for these dollars. It will be very important that the proposals that come in are ready to train and that there is a very clear commitment to begin training quickly. The other key elements of the program would be that it is limited only to non-profit entities. For profit healthcare organizations that come in go through our standard core program. The intent is to reach that segment of the healthcare industry operated by non-profit entities that we cannot fund with the core program. Staff established a \$400,000 per project cap and a \$600,000 cap per employer, but because of the limited availability, funding will be taking a pooled approach, so it is highly unlikely that we would get close to the \$400,000 cap for a single employer. Beyond a straight allocation of funds on a pooled approach, it essentially means that we look at the demand of all the applications that came in during that period divided by the available funds. We will overlay some factors; we will look at how effectively the applicant justifies the need to hire new workers, readiness for training, and how quickly they could begin the training phase. Staff will then consider factors such as, is the project in a high unemployment area, will we be promoting job creation in jurisdictions of the State that have a much higher than average unemployment rate; and we will consider the number of proposals that come in from a single employer and try and allocate funds on the most equitable basis possible. The reimbursement for the medical skills training under this initiative will be at the same level as we have funded our other healthcare initiative projects at \$22 per hour and \$20 per hour for non-medical skills training.

Mr. McMahon provided an overview of the initiative on apprenticeship participation. We are now in the final stages of developing a detailed proposal to the Panel that will be presented at the March meeting that will lay out the structure of a pilot program approach. The real basis for this initiative is the fact that we have been hearing from a number of sponsors of apprenticeship programs that there is a steady decline in Montoya funds, which are the State funds dedicated to the related and supplemental instruction portion of an apprentice curriculum, which is the classroom training. We are seeing an increasing gap in terms of the cost of delivering an hour of apprentice funding versus the available state level funds. We will be proposing that ETP not supplant State funding, Montoya funds, in these apprenticeship programs but would supplement those funds, and it is important to ETP that we remain consistent with our statute on that point.

Our hope is that in this type of apprentice program, that we can really help the typical joint apprenticeship training committee expand training opportunities as the construction industry recovers in CA, so that they are well positioned to offer additional slots to typically unemployed workers. We are receiving indications that the technical complexity of the apprentice programs is growing which adds additional costs. So we are interested in supporting the ability of many of these apprenticeship programs to upgrade their curriculum as well as upgrade some of their facilities related to the on-the-job training component. At the March Panel meeting, staff will bring you an action item for approval on this point.

Barry Broad arrived at 9:44 a.m. and presided as the Panel Chair for the remainder of the meeting and was present for the remainder of votes.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Mr. McMahon asked for a motion to adopt Consent Calendar Items #1 through #5.

Coventry Management Services, Inc.	\$199,920
Radiological Associates of Sacramento Medical Group, Inc.	\$104,000
Silver Spring Networks, Inc.	\$151,100
Quantum Health, Inc. dba Promise Hospital of San Diego	\$199,400
ViaSat, Inc.	\$196,500

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of Consent Calendar Items #1 through #5.

Motion carried, 6 – 0.

VII. MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

Mr. McMahon asked for a motion to delegate in event of loss of quorum, authorizing the Executive Director in conjunction with the Panel Chair or Vice Chair, to approve projects.

ACTION: Ms. Roberts moved and Ms. Montoya seconded the motion to delegate in event of loss of quorum.

Motion carried, 6 – 0.

VIII. REVIEW AND ACTION ON APPRENTICESHIP PILOT PROGRAM GUIDELINES

Brian McMahon announced earlier in the meeting that the Apprenticeship Pilot Program Guidelines were removed from the Agenda and would not be presented at today’s meeting.

IX. DELEGATION ORDERS

Maureen Reilly, General Counsel, referred to Delegation Order Tabs A through D located at the back of the Panel Packet. She said Tabs A through D include Delegation Orders that the Panel

has already approved. She said there were 15 fast track and 27 small business Delegation Orders approved by the Delegation process.

X. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

CPH Hospital Management, LLC dba Coast Plaza Hospital

David Guzman, Chief of Operations, presented a Proposal for CPH Hospital Management, LLC dba Coast Plaza Hospital (CPH), in the amount of \$300,090. CPH is well-equipped with state-of-the-art radiological diagnostic machinery (CT Scan, Ultrasound services, and an Open MRI), laboratory services, and a hospital-wide patient monitoring telemetry system. In addition to a 24-hour emergency department, the hospital also offers an Alzheimer's program, cardiac care, cosmetic surgery, critical care, diabetes care, hyperbaric oxygen, pain management, pharmacy, respiratory care, weight-loss, and wound care.

Mr. Guzman introduced John Ferrelli, Senior Vice President of Hospital Operations.

Mr. Rodriguez asked about the role of a charge nurse. Mr. Ferrelli said the charge nurses are the supervising nurses that oversee the floor staff.

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the Proposal for CPH in the amount of \$300,090.

Motion carried, 6 – 0.

SYSCO Ventura, Inc.

Mr. Broad noted there were three SYSCO proposals in total for consideration at today's meeting and asked if there was any problem with consolidating them into one presentation. Mr. Guzman said there was no problem to consolidate them into one presentation.

Mr. Guzman provided a brief summary of the three SYSCO affiliated proposals.

Mr. Guzman said Tab #7 is a Proposal from SYSCO Ventura, Inc., in the amount of \$249,600 to train 155 incumbent workers and 30 newly hired employees under the Panel's job creation guidelines.

The next Proposal from SYSCO is Tab #13, SYSCO San Diego, Inc., in the amount of \$299,130 to train 221 incumbent workers and 36 newly hired employees under the Panel's job creation guidelines.

The last and the third Proposal is Tab #17, SYSCO Central California, Inc., in the amount of \$249,060 to train 153 incumbent workers and 33 newly employed workers under the Panel's job creation guidelines.

Each of the SYSCO facilities are wholly-owned subsidiaries of SYSCO Corporation. However, each facility is independently operated in their regions. SYSCO Corporation has submitted one additional Proposal for funding, the SYSCO Los Angeles facility, and that project was approved and heard by the Panel at the December 2011 Panel meeting. All three SYSCO proposals feature job creation segments providing expected new employment for 99 employees at the three facilities. Each Proposal features similar curriculum and training goals with comparable training hours, and each project is for both incumbent workers and newly-hired employees under job creation. SYSCO Ventura in Oxnard and SYSCO Central California in Modesto are in high unemployment areas of the state; however, they are not requesting a wage modification below the ETP minimum wage. Employees at SYSCO Ventura are represented by Teamsters Local Union #186 and employees at SYSCO San Diego are represented by the International Brotherhood of Teamsters Local #683. Employees of SYSCO Central California are non-union. He said if there are questions from the Panel, he would like to recommend that the Panel approve all three SYSCO proposals.

Mr. Guzman said here representing the various SYSCO locations are Tom Reim, Vice President of Human Resources representing SYSCO Ventura Tab #7; Dennis Shaw, Contract Administrator of Teamsters Local Union #186 representing SYSCO Ventura Tab #7; Lori Wolner, Vice President of Human Resources SYSCO San Diego Tab #13; Lee Fletcher, Business Agent/Organizer representing Teamsters Local Union #683 for SYSCO San Diego Tab #13; and Pamela Cullors, Vice President of Human Resources representing SYSCO Central California Tab #17.

Mr. Broad asked if any of the SYSCO Proposals have a substantial contribution applied. Mr. Guzman said no, they do not. Mr. Broad said obviously the sum total of these proposals is a large project for their company that includes independently managed units. He said this is a struggle for the Panel because it is a multiple contract and asked the representatives to understand that the Panel conceptually views the contract as one company. He said ETP does not have the funding resources at this point if SYSCO plans to return every year requesting a large contract amount and asked that the company representatives calibrate their future funding requests based on that information. Mr. Broad asked the Panel if there were any questions.

Ms. Roberts said that the SYSCO Oxnard location had a grant of close to \$200,000 and that \$250,000 is where we request a substantial contribution, so should SYSCO return for future funds, the Panel will likely reduce that amount based on substantial contribution. Mr. Reim said he understood.

Mr. Rodriguez asked the SYSCO representatives to share with the Panel about the integrated systems since they have separate facilities. He asked if they work as an integrated system in workforce training in human resources or if they are all separate processes. Mr. Reim said they are separate entities with a president at each location, as well as senior staff to support that operation, so they make their decisions locally relative to the markets in which they do their business. Mr. Rodriguez asked if in regards to the operations of training, if they are all separate. Mr. Reim said they perform separate training at each location, so it is based upon the needs of each individual location.

Ms. Montoya asked why SYSCO Central California is not unionized and the other two locations are. Ms. Cullors said that SYSCO Central California is not unionized and they are separate entities.

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the three SYSCO Proposals: Tab #7, SYSCO Ventura, Inc., in the amount of \$249,600; Tab #13 SYSCO San Diego, Inc., in the amount of \$299,130; and Tab #17, SYSCO Central California, Inc., in the amount of \$249,060.

Motion carried, 6 – 0.

Arlon Graphics LLC

Mr. Guzman presented a Proposal for Arlon Graphics LLC (Arlon Graphics), in the amount of \$269,830. Arlon Graphics specializes in coating and laminating materials for a wide variety of industrial markets. It formulates, casts, coats, converts, packages, and sells its vinyl film through its own distribution network to customers located worldwide. In addition, Arlon Graphics designs and manufactures materials that meet specific customer needs including: visual impact for graphics, special laminates used as electrical insulators in motors and generator gaskets, weather stripping window glazing, durable paper, thermal shields, adhesive systems for medical products, and films for solar connectors.

Mr. Guzman introduced Lynn Levoy, Director of Human Resources.

Mr. Broad asked why all the employees were fired and then re-hired. Ms. Levoy said it was due to an asset purchase. Mr. Broad said so it was not due to a merger. Ms. Levoy said no, it was not. Mr. Broad said because he has always wondered whether people lost their pensions in that case. Ms. Levoy said employees did not lose anything and it was a very smooth transition.

Mr. Rodriguez asked about the 20 job created positions and if they have already been created. Ms. Levoy said they know of the positions and they have hired half of them. She said they are in the process of hiring now and the facility is under construction where they are putting in the new product line. So they are hiring and doing some cross-training while they are building the new line. Mr. Rodriguez asked if the new employees will be incorporated into the training program. Ms. Levoy agreed. Mr. Rodriguez said she did a good job of articulating the timeline they have been through. He asked if FLEXcon is putting a timeline of productivity on the local company in Santa Ana. Ms. Levoy said as far as getting their capacity increased, yes; they need to have it increased by 25% by the end of this calendar year. Mr. Rodriguez asked what would happen if the 25% capacity increase was not met. Ms. Levoy said bonuses may be affected if they do not hit the 25% goal.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for Arlon Graphics in the amount of \$269,830.

Motion carried, 6 – 0.

Bottling Group LLC dba Pepsi Beverages Company

Ms. Roberts recused herself from review, discussion, and action on the Bottling Group LLC dba Pepsi Beverages Company project.

Mr. Guzman presented a Proposal for Bottling Group LLC dba Pepsi Beverages Company (PBC SoCal), in the amount of \$498,780. PBC SoCal of Buena Park and Riverside, manufactures carbonated and non-carbonated soft drinks packaged in aluminum cans, and Bag-in-Box for distribution in retail and food service. The Buena Park location also manufactures treated water polyethylene terephthalate (PET) bottles for retail sales.

Mr. Guzman introduced Steve Lawrence, Director of M&W Operations.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Montoya seconded approval of the Proposal for PBC SoCal in the amount of \$498,780.

Motion carried, 5 – 0 (Jan Roberts recused)

Harbor Packaging, Inc.

Mr. Guzman presented a Proposal for Harbor Packaging, Inc. (Harbor), in the amount of \$207,680. Harbor manufactures cartons, custom foam, point of purchase displays, and many other custom products for customers located worldwide. The company also distributes a wide range of packaging supplies such as stock boxes, tape, cushioning, bags, bubble pack, and V-board.

Mr. Guzman introduced Choyce Bostian, Controller.

Mr. Broad asked if they have a plant in Mexico, how the Mexico and the United States plants differ, if they are related or separate product lines, and if they have had jobs shift from the U.S. to Mexico. Mr. Bostian said they have a plant in Mexico and their philosophy is that if they ship it from the U.S. they make it in the U.S. He said they have shifted no jobs to Mexico, and their largest competitor is in Mexico which is the main reason that they opened a plant there. Mr. Broad asked if the Mexico plant ships in Mexico and to the rest of the world. Mr. Bostian said yes, that is correct. He said that NATHA has specific rules to follow and Harbor is definitely different because many of their end users are in Mexico. He said their philosophy is if they ship it in Mexico, they make it in Mexico.

Mr. Rodriguez asked if Mikeela is located in Mexico or in the U.S. Mr. Bostian said Mikeela is in Tijuana and 100 feet from the border. Mr. Rodriguez asked for their top purchasers. Mr. Bostian said their top purchaser is Panasonic. Mr. Rodriguez asked if the San Diego plant manufactures the boxes or designs the boxes. Mr. Bostian said the San Diego plant designs the boxes and they have a complete graphic design department. He said the company has experienced much growth, and with the addition of the new corrugator, it doubles their capacity. He said one of the owners of the Mikeela operation says he believes it costs more to make a box in Mexico than it does in the U.S. Mr. Rodriguez asked if in the next two years they hope to increase the skills of their card workers to move up the ladder. Mr. Bostian said yes, absolutely;

especially with the Top Gun (software and hardware) wireless inventory control system that uses bar code scanning.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the Proposal for Harbor in the amount of \$207,680.

Motion carried, 6 – 0.

Integrated Healthcare Holdings, Inc. of California dba Western Medical Center – Santa Ana

Mr. Guzman presented a Proposal for Integrated Healthcare Holdings, Inc. of California dba Western Medical Center – Santa Ana (Western Medical-SA), in the amount of \$325,752. Western Medical-SA hospital is a 282 bed acute care facility. It serves the entire county as one of only three designated trauma centers in Orange County. The hospital's services include: the burn center, kidney transplantation, emergency and neurosurgical care, cardiac surgical services, and a paramedic base station and receiving center. It also maintains Intensive Care Units for adults and pediatrics and a Neonatal Intensive Care Unit. The hospital has 1,346 full-time employees including 329 full-time RNs.

Mr. Guzman introduced Joan Roderick, Clinical Educator of Staff Development.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for Western Medical-SA in the amount of \$325,752.

Motion carried, 6 – 0.

Stanley Black & Decker, Inc.

Mr. Guzman presented a Proposal for Stanley Black & Decker, Inc. (Stanley B&D), in the amount of \$280,584. Stanley B&D develops, manufactures, markets and sells residential and commercial hand tools, power tools, door hardware, kitchen and bath faucets, shower systems, electronic security solutions, engineered fastening systems and more. The company's Mechanical Access Solutions Group is located in Lake Forest with a distribution center in Mira Loma, which are the two sites of the proposed training. The Lake Forest employees develop, design, prototype and test products in its industrial design center and onsite testing lab.

Mr. Guzman or Ms. Hernandez introduced Shae Fricchette, Learning and Organizational Development Manager.

Ms. Roberts asked if this is their first ETP proposal as there were no prior projects listed in the ETP 130. Ms. Levoy said this is their second ETP contract. Ms. Roberts asked if the prior proposal occurred over ten years ago. Ms. Levoy said yes, that is correct. Ms. Roberts asked about the infrastructure in place to ensure they will earn the requested dollar amount, warned that it requires much documentation, and asked if she is familiar with the process. Ms. Levoy said that she and a training coordinator will oversee the proposal.

Mr. Rodriguez asked where the training will occur. Ms. Fricchette said the training will take place at both locations in Lake Forest in Orange County and in Mira Loma in Riverside County. Mr. Rodriguez asked if a large portion of the training is focused on their sales staff. Ms. Fricchette said no, training will include operators, marketing and sales staff, support staff, finance, and engineers. Ms. Fricchette said the folks in the Mira Loma location are people who are frontline employees and this includes some of their team leads. She said the Lake Forest location includes labs and an engineering center. She said training will include some marketing and sales employees, but they do not make up the majority of the trainees. Mr. Rodriguez asked if any layoffs occurred when they implemented the Stanley Fulfillment System (SFS). Ms. Fricchette said yes, there were layoffs after the merger. Mr. Rodriguez asked for the number of employees laid off. Ms. Fricchette did not have that percentage available. Mr. Rodriguez asked if it was more or less than 50 were laid off. Ms. Fricchette said less than 50 were laid off and that those layoffs occurred at the Lake Forest office, not at Mira Loma.

Mr. Broad asked if there are 775 employees located in CA out of their total of 43,530 employees. Ms. Fricchette said yes, that is correct. Mr. Broad asked how many employees are left in the U.S. Ms. Fricchette was unsure of that amount. Mr. Broad asked if there were any manufacturing facilities from any of the companies remaining in the U.S. Ms. Fricchette said yes, that they have manufacturing in Dennison, Texas, and they have an additional distribution and assembly facility in Charlotte. Mr. Broad said he recalled from a previous ETP proposal, as he was part of the Panel then that he believed Stanley closed its CA manufacturing facility in Los Angeles where tools were made for people to buy. He said he wanted to make it clear that this is an old line tool company like other old line American companies that have moved offshore in mostly everything. He said he does not see anything wrong with this proposal but asked to be recorded as a no vote.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Proposal for Stanley B&D in the amount of \$280,584.

Motion carried, 5 – 0 – 1 (Mr. Broad recorded as a no vote)

SYSCO San Diego, Inc.

The SYSCO San Diego, Inc. presentation was consolidated earlier and approved in one motion along with the additional two SYSCO Proposals under Tabs #7 and #13. SYSCO San Diego, Inc. was approved in the amount of \$299,130.

UHS-Corona, Inc. dba Corona Regional Medical Center

Mr. Guzman presented a Proposal for UHS-Corona, Inc. dba Corona Regional Medical Center (UHS-Corona), in the amount of \$298,000. UHS-Corona is owned by Universal Health Services (UHS), but continues to do business under its community hospital name. The medical center is a 240-bed community hospital network comprised of a 160-bed acute care hospital and an 80-bed rehabilitation campus. It is fully accredited by the Joint Commission, employs more than 1,150 trained healthcare workers including 202 full-time registered nurses, and has a medical staff of approximately 300 physicians representing more than 40 specialties.

Mr. Guzman introduced Lisa Forsythe, Director of Education and Ruth Battles, Corona Regional Medical Center.

Mr. Broad asked if the employees that received training in the prior contract at the Corona facility, are the same employees that will receive training in this proposal and if so, what is different about the training they received two years ago. Ms. Forsythe said this proposal is to train new employees that they would be bringing onboard as new graduates, so it would not include the same employees. She said these would be new jobs and new employees that would be hired into clinical training programs.

Mr. McMahon said there is a retraining component to the projects so as to those incumbent workers that would be retrained; that I believe is Mr. Broad's question. He asked if any of the existing non new-hire nurse graduates that are participating in this project also received training under the 2008 agreement and if there is a difference in the curriculum. Ms. Forsythe said the curriculum is different in the new graduate program, it is a preceptor-led program, and the curriculum and content is different based on their current needs and service lines.

Ms. Roberts said so it is not incumbent workers you are including, but new workers altogether. Ms. Forsythe said yes, that is correct. Mr. Broad said no, there are some incumbent workers. Ms. Forsythe said some of the incumbent workers will be retrained in different processes so it will include them, but they will not be going through the same training. Mr. Broad asked ETP staff to review the incumbent worker training in this proposal if it is approved, to ensure the same workers are not receiving the same training. Ms. Forsythe said she understood.

Mr. McMahon said that is one of the standard items that staff considers when projects are developed to ensure we are not training the same trainees in the same curriculum. Mr. Broad said he understood but suggested taking a second look at it. Mr. Guzman said that as this project unfolds, staff will consider who is being trained in this project versus the training in 2008, 2009 and 2010. Mr. Broad said thank you, I appreciate it.

Ms. Roberts discussed ETP's substantial contribution requirements and said they earned close to the \$250,000 substantial mark in their previous \$225,000 contract. She asked if in the previous Southern CA agreement, if there were no Corona employees trained under that agreement. Ms. Forsythe said correct, under the first agreement. Ms. Roberts asked how the Panel can be assured that Corona employees were not included in any of the training in past agreements. Ms. Forsythe said the contract was divided between three hospitals and was being housed out of one of their other facilities and they did not have an educator at that time. She said they did not have adequate administrative staff to support it so they ended up not being part of the contract even though their name was included on it. Ms. Roberts asked if there is no interaction with the Corona group and Wildomar and Murrieta in the existing contract that was funded last year. Ms. Forsythe said no there is no interaction, they are two separate entities. Ms. Roberts asked if there is no cross functional training with all these groups. Ms. Forsythe said no, there is not. Ms. Roberts said that in her business, employees meet at a central training location and she was trying to understand how the various hospital training works. She said so the hospitals are all separate entities and training is conducted at each location rather than offering group training. Ms. Forsythe said there is not any group training available for nursing services.

Mr. McMahon asked when ETP is funding new nurse graduate training, is it fair to say that ETP's participation in this training helps you make that decision to hire new nurse graduates? Ms. Forsythe said yes, that is fair to say.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for UHS-Corona in the amount of \$298,000.

Motion carried, 6 - 0.

Agilent Technologies, Inc.

Mr. Guzman presented a Proposal for Agilent Technologies, Inc. (Agilent), in the amount of \$499,608. Agilent manufactures products that sense, analyze, display, and communicate data for use in the life sciences, chemical analysis, communications and electronics industries. These products include oscilloscopes, chromatographs, spectrometers, signal sources, signal and network analyzers, atomic force microscopes and nuclear magnetic resonance spectrometers amongst other technical specialties.

Mr. Guzman introduced Steve Beitler, Manager of Silicon Valley Government and Public Affairs.

Mr. Broad said their last contract was unsuccessful since they only earned 17%. He suggested splitting this Proposal into Phase I and Phase II where they could return after they complete the first half at \$250,000, and see how they perform. Mr. Beitler said they would be happy to come back and do that, and that the assessment he gave is fair. He said 17% is 17%; he would highlight the LMS a little bit more and said the economic downturn was significant and would have other ramifications within the company. He said the LMS is company-wide and enterprise-wide and has been not only fully-operational, but robust over the last few years. Mr. Broad said I appreciate that and it is sort of protection for us, and somewhat of an incentive for you because you have done this many times. He said when companies return for Phase II of a proposal they demonstrate they are earning the money and the Panel votes to approve the second part of the proposal. He said he believes it makes sense in this situation since they only earned 17% and even though they recognize the problem they must have an appropriate solution. Mr. Broad said if Mr. Beitler was agreeable, the proposal will be split into two phases with Phase I funding set at \$250,000 and additional for Phase II.

Mr. McMahon asked the Chair to consider that if they demonstrate good performance in their first increment of the project, that the second phase not necessarily be limited to \$250,000 since clearly they have a high number of trainees. Mr. Broad said yes, if the company returns for more funding and they are on target to earn 100% of the funds and they have a credible proposal, that they could request a larger dollar amount in Phase II. Mr. Beitler said he appreciated that clarification and said they have confidence in the LMS and said they have done much better than 17% in prior ETP proposals and are confident they can earn 100% of the funds in Phase I. Ms. Roberts said she believed the economic downturn did not happen until after their previous contract was already completed and it was in 2008 when the economic downturn began. Mr. Beitler said that in the high technology sector, 2005 and 2006 were periods of downturn. Ms. Roberts said she is very familiar with the LMS system and knows what they are capable of doing. She said she would like to see positive performance in Phase I

of this proposal before making a decision to fund Phase II. Mr. Beitler understood and said that is very fair.

Mr. Rodriguez asked if Agilent is a CA company. Mr. Beitler said yes they are based in CA with their headquarters in Santa Clara. Mr. Rodriguez noted they had significant layoffs in 2004, 2005 and 2006. Mr. Beitler agreed. Mr. Rodriguez said they are inter-dependent to companies such as their mother ship company at one time, HP, Intel and others. Mr. Beitler said he would not say they are inter-dependent with HP. He said Intel is a customer of their semi conductor manufacturing and HP is not a particularly significant customer. Mr. Rodriguez asked if they have grown over the last 10 years in terms of workforce but not necessarily in the workforce in CA. He asked where their first or second largest workforce is located. Mr. Beitler said about two-thirds of their business is outside of the U.S. and about two-thirds of their workforce is outside of the U.S. He said that within the U.S., they have about 7,000 to 7,500 employees in three major sites. Of those 7,500, there are 3,000 in CA. He said that within the last 2 to 3 years there has been modest and selective hiring in CA, so the workforce proportions mirror the business in terms of where the business is, and where the workers are. Mr. Beitler said there were layoffs in the mid 2000's which is a matter of public record, and there have not been any layoffs since then. Mr. Rodriguez said he was trying to decipher the long-term commitment for a CA company that was built and designed in CA, for CA workers and the CA economy. Mr. Beitler said he does not see any real wavering commitment to CA. He said their headquarters, central research facility, major customers, product development, and research and development are all in CA. He said manufacturing at all three sites will be affected by this proposal and he does not believe there is any question about their commitment to CA.

Ms. Montoya asked if would be fair to say that the higher paid employees are in CA. Mr. Beitler said yes, that is fair to say.

ACTION: Ms. Montoya moved and Ms. Roberts seconded approval of the Proposal for Agilent in the reduced amount of \$250,000 as Phase I of this project.

Motion carried, 6 – 0.

Shasta Regional Medical Center, LLC

Ms. Roberts removed Tab #16, Shasta Regional Medical Center, LLC, from the Agenda earlier in the meeting.

SYSCO Central California, Inc.

SYSCO Central California, Inc. was approved earlier in one motion along with Tabs #7 and #13 in the amount of \$249,060.

Multiple-Employer Contractor Proposals

Los Angeles Community College District

Ms. Hernandez presented a Proposal for Los Angeles Community College District (LACCD), in the amount of \$749,980. LACCD was formed in 1969 to oversee nine community colleges

throughout the Los Angeles region. It is the largest district in the nation serving 240,000 students, and providing administrative support for its colleges in the areas of academic enrollment, contract education, community services, and workforce and economic development. It strives to develop employment and training strategies and helps to create a platform for uniting regional resources.

Ms. Hernandez introduced Felicitó Cajayon, Vice Chancellor of Economic & Workforce Development.

Ms. Roberts said she appreciates LACCD's substantial contribution, as it is not typical in a multiple employer contract.

Mr. McMahon said ETP will provide technical assistance to some additional campuses within the district to increase the possibility of their participation in the training aspect of this project. Mr. Cajayon said there are at least four campuses waiting for him to give them a call after the meeting.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for LACCD in the amount of \$749,980.

Motion carried, 6 – 0.

NTMA Training Centers of Southern California

Ms. Hernandez presented a Proposal for NTMA Training Centers of Southern California (NTMA), in the amount of \$749,621. NTMA is the training arm of the machining industry in Southern California. NTMA trains and prepares students for lifetime careers in the machining, tooling, and manufacturing industries. NTMA serves small to medium-sized machine shop employers that design and manufacture special tools and machines, dies, jigs, fixtures, gauges, and precision-machined parts. These companies face out-of-state competition and need skilled workers in order to prepare them for progress toward a high performance workplace due to advanced technological changes in the metal industry.

Ms. Hernandez introduced Michael Kerwin, President and Norma Meza, Executive Director of Financial Aid and ETP.

Mr. McMahon asked what population they market in order to fill the spots in their new-hire training. Mr. Kerwin said the population they primarily work with are people who are unemployed or under skilled to bring them in to a skilled career. Mr. McMahon asked if they offer good wages and a real career pathway. Mr. Kerwin said yes, absolutely.

Mr. Kerwin said their placement rates are currently higher than they have ever been. Mr. Broad asked if that means that these companies are substantially investing and the markets are improving. Mr. Kerwin said there was a loss in 2006, 2007, and 2008 and what they have now are companies that are returning and deciding whether or not to bring new people in to invest, that money which is a large expense and new technology is what they are seeing.

Ms. Roberts said it looks like they done an excellent job of marketing since they have 70 companies that they have helped, which is wonderful.

Mr. Rodriguez asked about Skills USA. Mr. Kerwin said Skills USA is a national program for high schools, community colleges and four-year colleges which covers all of the districts. They have competitions at the regional, state, and national levels. He said they compete in the area of community colleges, and two and four year colleges, and have been able in the last five years, to send the only people from CA to the nationals. They have sent three people every year; the maximum amount of people that they can send, for the last five years. He said it is a competition of the skill that they are working on, such as a programming competition, and there are almost 10,000 people that participate in that competition. He said they have every skill competition that you could imagine such as jet engines, car repair, cosmetology, phlebotomy, etc. They have also been able to compete in a national competition that is a manufacturer's challenge hosted by the Society of Manufacturing Engineers every year. In the last five years, they have competed and always have had two competitors, one from Norwalk and one from Ontario schools. Last year their Norwalk school was comprised of three people that ran an ETP contract and they won first place.

Mr. Rodriguez asked if they have a presence in the greater Sacramento area. Mr. Kerwin answered no. Mr. Rodriguez asked why they do not. Mr. Kerwin said because they began in Los Angeles and they have built in that area, which is the only reason why.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the Proposal for NTMA in the amount of \$749,621.

Motion carried, 6 – 0.

Santa Monica Community College District

Ms. Hernandez presented a Proposal for Santa Monica Community College District (SMCCD), in the amount of \$438,120. SMCCD's Workforce and Economic Development Division was created to support and carry out the mission of the California Community College system: to invest in California's economic growth and global competitiveness through industry-specific education, training, and services. To achieve this, SMCCD builds relationships, collaborates, and converges with policy makers, industry, business, and educational channels to formulate and deliver relevant, state-of-the-art training to the business community and workforce in its surrounding areas. The training is delivered through a two-year junior college program; a continuing education program; and a Workforce and Economic Development Division program administering for businesses.

Ms. Hernandez noted two corrections to this proposal in the ETP 130. On Page 1 the total amount of funding should be \$438,120 and on Page 2 under the Training Plan Table, job #5, the average cost per trainee should be \$917.

Ms. Hernandez introduced Tricia Ramos, Dean of Workforce and Economic Development.

Ms. Roberts was concerned about there only being seven contractors listed on the participating employers ETP 100B. She said if one or more participating employers pull out for some reason

that the list will have been almost reduced by one-third or one-fourth. She said they are requesting a large amount in this proposal and they could not deliver in their prior proposal of only \$200,000. Ms. Ramos said she was happy Ms. Roberts raised that point, since the Panel must have that same question. She became the Dean in 2007 in the middle of that particular contract; however, they also just completed a very successful ETP contract under CEWTP and performed at 100%. She said she knows these are times where resources are very limited and the Panel must do its due diligence in approving proposals. She said she understood and could assure the Panel that poor prior performance will not be repeated under her leadership. She said the CEWTP contract was very difficult to run and so to be able to deliver 100% of that CEWTP contract, which only a few community colleges dared to take on, she believes shows many of the skills they have to manage a much simpler contract. Ms. Roberts said the CEWTP contract was not included in the ETP 130. Ms. Ramos said the CEWTP project is mentioned under prior projects in the ETP 130.

Mr. Rodriguez asked if they train at the site or if trainees come to Santa Monica because there are at least four companies here and a nearby community college that does similar work. Ms. Ramos said they could provide the training onsite for the employers that have the facilities and would like to; however, with workforce and economic development, they have approximately five satellite campuses at the college. She said one is within the City of Los Angeles and they have newly constructed training facilities where they provided much of the training and it includes computer labs. Mr. Rodriguez asked if they are on the Santa Monica site. Ms. Ramos said yes, at one of the satellite campuses but not on the main campus, which is actually more inland so it is more accessible and on the Santa Monica College airport. Mr. Rodriguez said he could not decipher the industries of the companies that are listed in the participating employers. Ms. Ramos said ANR Industries is a construction remodeling and service company; Danfoss Sea Recovery is a warehouse distribution and service company; Horizon Hobby is a warehouse distribution sales; Illumination Dynamics is warehouse distribution service; LAWA is a Los Angeles World Airport; Solar Operations Technologies, Inc. is a manufacturing warehouse sales company; and The "G" Crew is a construction remodel services.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Proposal for SMCCD in the amount of \$438,120.

Motion carried, 6 – 0.

Studio Arts, Ltd.

Ms. Hernandez presented a Proposal for Studio Arts, Ltd. (Studio Arts), in the amount of \$499,499. Studio Arts is a private training company for high-tech, computer-based software and hardware for the motion picture, television, and post-production industries.

Ms. Hernandez introduced Eric Huelsman, President.

There were no questions from the Panel.

ACTION: Ms. Montoya moved and Ms. Roberts seconded approval of the Proposal for Studio Arts in the amount of \$499,499.

Motion carried, 5 – 0 (Mr. Rendon absent for vote).

Video Symphony EnterTraining, Inc.

Ms. Hernandez presented a Proposal for Video Symphony EnterTraining, Inc. (Video Symphony), in the amount of \$267,992. Video Symphony is a private, for-profit training center that trains media professional on the latest digital production tools used in the entertainment industry.

Ms. Hernandez introduced Mike Flanagan, President.

Mr. Broad considered lowering the proposal amount to \$150,000, which was similar to the amount of their last two proposals. He said they did well on their previous proposals and asked if they believe they will earn more than \$150,000. Mr. Flanagan said yes, most definitely. He said that several years ago they had a contract that was over \$1 million that they fulfilled and earned between 95% and 100%. Mr. Broad asked how many actual real employers they have lined up currently. Mr. Flanagan said they have more employers than what is included in the list of participating employers. He said since this is their seventh ETP contract, they have dealt with several hundred companies and trained thousands of employees over the years. Therefore, they have a long history in working with ETP. Mr. Broad said he was satisfied with Mr. Flanagan's explanation.

Ms. Roberts asked about the various co-pays that Mr. Flanagan previously mentioned. Mr. Flanagan said when they first had a proposal in 1998; ETP specifically precluded taking any type of in-kind contribution. He said that as a result, it laid a ground work of people expecting services to be rendered for free. They have struggled over the years with the number of employers where there was no expectation of payment; they were actually precluded from making any kind of payment. They are actually modifying how they will approach it this time and will make it much more accessible and easier for employers, so they do not see it as being an issue this time. He said any time you ask anyone to pay for anything; most people do not like that. Ms. Roberts agreed. Mr. Broad said it also increases the level of seriousness. Mr. Flanagan said yes, and that in their first contract in 1998, he was of the impression and would have preferred that there was a 50% contribution because he wanted employers to have skin in the game, but they were not allowed to do that at that time and the rules have changed since then. He said he agrees that skin in the game is definitely imperative. Ms. Roberts asked what they request the employers to pay and if they are doing their due diligence up front in having them understand and agree to that. Mr. Flanagan said in the past the amount has varied and it was generally a per employee fee or a flat fee, and somewhere between \$250 and \$450. This time they will go with 100 dollars, and make it an administrative fee. Specifically, it is not based on the hours or what they would see is the value of the training, it is just that this is what it costs them and what they are asking them to pay for the administrative aspect of enrolling their student and making sure they are committed. He said people tend to take advantage of the situation when it is free. Ms. Roberts asked if she were to contact the company Alpha Dogs, and asked them if they were aware of a co-pay with Video Symphony, would they tell her that yes, they are aware of it. Mr. Flanagan said no, he could not say that and he would have to go back and research if the company was aware from the previous contract. He said they have a separate agreement with the employers because over the years, they have had to ensure that they get the employer retention information. He said this is a significant difference between what they will do this time and what they were doing previously. Ms. Roberts was concerned

about the various co-pays and said it seems to be an issue that is not yet resolved. Mr. Flanagan said in last several years there have been two barriers that employers would have, in terms of saying yes enthusiastically. One is a co-pay up front, and the second item is more significant. He said they had a requirement that if they did, if their employee did not stay retained for example, and it was under their control to do so, then they were going to go back and bill the employer. He said many of them didn't like that; obviously the employees have the ability to fluidly move to new organizations and employers were unclear on that. He said they are not requiring that this time and will take the loss if an employer does not retain an employee, which is significant because the administrative fees are 100 dollars. In the case of going back and billing for services rendered they did not get paid for from the ETP, that could be even be a few thousand dollars, that is no longer in the mix, so that will make a big difference in terms of the buy-in on the employers parts, so that is a significant difference in what they will do this time and what they have done previously. Ms. Roberts said that with all of the scrutiny you are getting now with the performance, if they are successful in this proposal the Panel will not be asking the same questions. Mr. Flanagan said yes, frankly they were not aware, because we have been doing them for quite a several amount of years, and had very good performance on previous ones. I don't believe we were aware that we are only as good as our last contract, I guess to some extent, so we are aware of that now.

ACTION: Mr. Rendon moved and Ms. Montoya seconded approval of the Proposal for Video Symphony in the amount of \$267,992.

Motion carried, 6 – 0.

Southern California Glaziers and Glass Workers Industry Joint Apprenticeship Trust

Ms. Hernandez presented a Proposal for Southern California Glaziers and Glass Workers Industry Joint Apprenticeship Trust (Trust), in the amount of \$172,640. The Trust is a joint labor-management committee representing the glazing and glass working industry throughout Southern California whose mission is to provide up-to-date industry skills training and secure high-quality job opportunities for its members. The training center is responsible for providing training for approximately 200 apprentices and 400 journey level workers who are members of Local 636 of the Painters and Allied Trades Union.

Ms. Hernandez pointed out a correction to Page 2 of the ETP 130. The Trust serves 36 glazing contractors that are signatory to the collective bargaining agreement with Local 36, not Local 636 as incorrectly stated.

Ms. Hernandez introduced Ed Garcia, Apprenticeship Coordinator of the Painters & Allied Trades District Council 36 and Steve Duscha, representing Duscha Advisories.

Mr. Garcia addressed why they had very poor performance and only earned 1.9% in their prior ETP project. He said he takes full responsibility as the prior project was handed to him when he began as the apprenticeship coordinator in August 2007. He said the bottom fell out of the construction industry and he was concerned about ensuring that all of his apprentices were working. He has over 225 apprentices and today there are only three that are out of work.

Ms. Roberts said they offer great wages at \$36.00 per hour. Mr. Garcia said yes, they believe in a living wage. He said he tells his apprentices this is not a job but a career. Ms. Roberts said they have had poor past performance but offer very good wages.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the Proposal for Trust in the amount of \$172,640.

Motion carried, 6 – 0.

California Manufacturers & Technology Association

Ms. Hernandez presented a Proposal for California Manufacturers & Technology Association (CMTA), in the amount of \$749,650. CMTA is a trade association representing manufacturers, as well as some service businesses in the state.

Ms. Hernandez introduced Jack Stewart, President and Robert Sanger, Manager of Training Services.

Mr. Broad said they have done a great job in their prior proposals. Mr. Stewart said thank you and what we are especially interested in and excited about here is starting to do some work with NIMs and getting NIM certifications for the workers, because once a worker has that certificate, they become much more employable in their future endeavors. It is a national certificate and when an employer knows that he has specific skills as certified by the certificate, it is a win-win both for the employer and the employee. Mr. Broad said this is a good, solid proposal.

ACTION: Mr. Broad moved and Ms. Roberts seconded approval of the Proposal for CMTA in the amount of \$749,650.

Motion carried, 6 – 0.

Green Plumbers Training and Accreditation, a Division of IAPMO

Ms. Hernandez presented a Proposal for Green Plumbers Training and Accreditation, a Division of IAPMO (Green Plumbers IAPMO), in the amount of \$179,952. Green Plumbers IAPMO coordinates the development and adaptation of plumbing and mechanical codes to meet the specific needs of individual jurisdictions both in the U.S. and abroad.

Ms. Hernandez introduced Bill Lehtonen, Training Consultant.

Mr. Broad asked about the active project which ends in March 2012. Mr. Lehtonen said training has ended and it will be completed by the end of March. Mr. Broad asked if the amount accrued was \$329,000 and how much he believes they will earn. Mr. Lehtonen said they forecast earning approximately 60%. Mr. Broad said he understands the economic downturn, and asked why they only forecast earning 60% rather than 100%. Mr. Lehtonen said, in keeping with the tenor of this morning, they are exclusively responsible for that. He said he believes that training agreements like this exist to overcome areas of downturn and other insufficiencies and they accept full responsibility for that. He said that with the acquisition of IAPMO they will be able to raise that level. He said this proposal amount was pared back from an earlier one in deference

to the 60% factor. Mr. Broad said this funding request essentially reflects what you are earning on the contract you just completed. Mr. Lehtonen said it already does, yes approximately. He said they expect to do better and have been told that the likelihood of fund availability notwithstanding, that they can return for a second proposal and they have much to prove and need to handle things differently this time around. He said it is not all due to the economy; it is the needs analysis in talking to the right people and making sure that the industry as a whole needs the training. He said they need transformation into water and energy conservation, but businesses need to be capable enough to withstand the cost of solar.

Mr. Broad asked if part of the issue with green plumbing training is ahead of the consumption on the other end of green plumbing services. He asked if the customers are saying they want it installed consistent with the code rather than green installation. Mr. Lehtonen said yes, there is certainly a bit of that but plumbers are a tough breed and they are very self sufficient. He said you do not find many unemployed plumbers because they go out and they reinvent themselves. There are a lot of plumbers on the bench with the unions and they come in and they have jobs temporarily from day-to-day. He said the industry and the plumbing inspectors included, are confused about what direction to go in. He said until they see some direction in terms of rain water collection, gray water, water efficient technologies, saving water to save energy, and all of this and greenhouse gases, when it all comes together; but there is a little bit of a learning curve ahead of them.

Ms. Roberts said any time she sees a "green" reference she expects to pay 25% more. She asked if many customers are saying yes; give me the solar and agreeable to paying 25% more because they want to be green. Mr. Lehtonen said he understands her hesitancy and that part of it has to do with the amount of PUC allotment for tax rebates, for instance solar thermal. Solar thermal, the hot water heating in the home, represents about 30% of your home energy bill. If you save water through solar thermal and you save energy, every gallon of water you save is duplicated by less sewer charges. Many people are not aware of that, so if you save \$30 per month on water you are going to save about \$30 per month on sewer. When you consider a savings of about \$800 and \$900 annually, you really can pay for that system in a matter of two and a half years at the current level. Ms. Roberts said most people have flat sewer and water charges. Mr. Broad mentioned that he served on the CA State Building Standards Commission previously and believes the real issue here is when he mentioned building inspectors and so on, because the reality is that the way things are done in these services, whether it is plumbing or electrical, is in response to what the building code is. He said you don't go in there and say give me something different than the building code; you expect them to build to the standard of the building code, and there is a tension. He said the tension is, if you do this green aspect, the cost of construction goes up but there is a societal savings, which is a savings to the consumer after who lives there and uses that construction but that is not reflected necessarily in the sales price. He said the builders are saying do not go so green that it will make them sell the property for more money even though green is really positive down the line. Because it is hard to convince someone who is buying a house or building a house that you are going to actually get paid back for this over many decades, but you are paying for it today; that is the tension. Which is why you are saying, I don't want to pay for green. However, if someone says you are going to recover it in six months, you might say okay, but if someone says you are going to recover over the lifetime of that building, and when you add it up over the lifetime of many buildings it is a gigantic amount of electricity, but what you are really saying to an individual is that today you are spending dollars to do something for

society long after you are gone, that is basically what it is and not a lot of people want to do that. Ms. Roberts said her sewer and water rates are flat rates, so it would not matter what she installed since it is a flat rate. Mr. Lehtonen said he understands that tension and understands Ms. Roberts' comments. He said that all of the contracts combined are not exclusive to plumbers because electricians also install solar. He said many people are interested in water use efficiency, not only plumbers, and they want to attract more people into the industry. Ms. Roberts said society is bitten by solar these days but she believes with the funding amount of this proposal at \$179,952, she doesn't believe they will have a problem earning that amount. Mr. Lehtonen said he does not believe they will have a problem in training that number.

ACTION: Mr. Rodriguez moved and Ms. Montoya seconded approval of the Proposal for Green Plumbers IAPMO in the amount of \$179,952.

Motion carried, 6 – 0.

XI. PUBLIC COMMENTS

There were no public comments.

XII. PUBLIC MEETING ADJOURNS

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded meeting adjournment at 12:11 p.m.

Motion carried, 6 – 0.