

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
801 Capitol Mall, Room 150
Sacramento, California
September 9, 2019**

1. CALL TO ORDER AND ROLL CALL

Jovan Agee, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) meeting to order at 11:02 a.m.

Members Present: Jovan Agee for Fiona Ma, CPA, State Treasurer
Anne Baker for Betty T. Yee, State Controller
Gayle Miller for Keely Martin Bosler, Director, Department of Finance
Ken Rider for David Hochschild, Chair, California Energy Commission
Grant Mack for Marybel Batjer, President, Public Utilities Commission

Staff Present: Deana J. Carrillo, Executive Director

Quorum: The Chairperson declared a quorum.

2. MINUTES

Mr. Agee asked if there were any questions or comments concerning the July 16, 2019, meeting minutes. There were none.

Mr. Agee asked if there was a motion.

Ms. Baker moved for approval of the minutes; upon a second from Ms. Miller, the minutes were approved.

The item was passed by the following vote:

Jovan Agee for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Gayle Miller for the Director of Finance	Aye
Ken Rider for the California Energy Commission	Aye
Grant Mack for the Public Utilities Commission	Aye

3. EXECUTIVE DIRECTOR’S REPORT

Ms. Carrillo stated that under her delegated authority, no actions were taken.

Ms. Carrillo then gave an update of legislative activity relevant to CAEATFA’s Sales and Use Tax Exclusion (“STE”) Program (the “Program”). She reported that Assembly Bill 1583, related

to recycling market development, was amended to extend the STE Program by five rather than 10 years, making it consistent with new standards in the Legislature for tax incentives, and is on its way to floor votes in both houses. She also reported that Assembly Bill 176, authored by Assemblymember Cervantes, which originally would also extend the Program, had been modified to add clarity on the type of job-related information that the Program would collect.

Ms. Carrillo then summarized recent activity under CAEATFA's programs. Under the California Hub for Energy Efficiency Financing ("CHEEF"), Ms. Carrillo stated that the Small Business Energy Efficiency Financing Program ("SBF") Pilot enrolled its first financing for \$200,000, which went to improvements on a dairy near Hanford. The improvements included new indoor and outdoor lighting and variable frequency drive for their well pumps. The SBF will have its user interface ready for contractors and lenders to more easily submit projects and data for the Program's full launch at the end of the month. Ms. Carrillo also reported that the Affordable Multifamily Energy Efficiency Financing Program had enrolled its first lender. Under the Residential Energy Efficiency Loan Assistance Program, over 500 loans have now been enrolled and over \$8.5 million in private capital has been leveraged.

Ms. Carrillo stated that today's Board meeting would be focused on discussion of the STE Program and the various goals and priorities for consideration as potential modifications to the Program. Ms. Carrillo stated that a presentation of STE Program background and activity would be provided by Ashley Emery, STE Program Manager, and Matthew Newman of Blue Sky Consulting Group, LLC, which assisted with the design and development of the Program and currently provides technical assistance. Ms. Carrillo stated that it is Staff's goal to have the updated regulations completed for the 2020 STE Program award allocation.

Ms. Carrillo then concluded her report.

4. BUSINESS ITEMS

A. DISCUSSION OF POTENTIAL MODIFICATIONS TO THE SALES AND USE TAX EXCLUSION PROGRAM (INFORMATIONAL ITEM)

Presented by Ashley Emery, Program Manager

Staff introduced Matthew Newman, Blue Sky Consulting Group, LLC.

Ms. Emery gave a presentation on the STE Program, in which she provided background information and outlined the performance and effectiveness of the Program to date and moderated a discussion on Program goals and potential Program modifications that could be considered. She stated that CAEATFA's statute set out six specific goals of the STE Program:

1. The creation of California-based manufacturing;
2. The creation of California-based jobs;
3. Promoting Advanced Manufacturing;
4. Helping to reduce greenhouse gasses;
5. Reductions in air and water pollution; and
6. Reductions in energy consumption.

She stated that the Program was first implemented in 2010 to provide financial assistance to Alternative Source and Advanced Transportation projects. In 2010, CAEATFA was required to notify the Legislature if more than \$100 million in sales tax exclusions had been awarded. In 2012, the Program was expanded to include Advanced Manufacturers, and a \$100 million hard cap was placed on awards each calendar year. In 2015, the Program was expanded again with Assembly Bill 199 to include recycling projects.

Ms. Emery stated that the Program offers a front-end incentive designed to help Applicants make business decisions regarding whether they will operate in California. She stated that because awards are given prior to business plans being implemented, Application information is based on projections.

Ms. Emery stated that the STE Program was oversubscribed in 2015 for the first time ever, and did not become oversubscribed again until 2019. She stated that in 2015, the Program did not have competitive criteria; therefore, this year was the first time the criteria were used. She stated that in 2016, 2017, and 2018, the Program awarded its full allocation due to the ability to give additional exclusions at the end of the year to Applicants that asked for additional STE.

Ms. Emery stated that the currently active and completed projects under the STE Program are located across 33 counties, and that 51% of those projects are located in counties with unemployment rates higher than the statewide average. She stated that since October 2016, when all of the eligibility pathways had been added, Advanced Manufacturers have received both the largest number of awards and the highest total dollar amount awarded, likely because theirs is the broadest eligibility pathway. Ms. Emery continued by stating that over 50% of awards are under \$1 million in sales and use tax exclusions, 84% are under \$5 million, and 90% are under \$10 million. The average project size is \$3.7 million in sales tax exclusion, and the median is \$765,000.

Ms. Emery continued her presentation by stating that Advanced Manufacturers and Advanced Transportation projects generally anticipate creating more production jobs on average compared to the other eligibility pathways, and each of these jobs created costs less per dollar of sales and use tax exclusion. She stated that for environmental benefits, Alternative Source and Advanced Transportation projects produced the most benefits.

Ms. Emery stated that in order to help inform potential regulations, Staff also looked at the administrative side of the Program. The Program has a three-year term for Applicants to complete their Qualified Property purchases. She stated that over 30% of Applicants have requested an extension, most seeking a term of five years or less. Ms. Emery stated that since October 2016, Applicants to the Program have been required to make at least 15% of their Qualified Property purchases in the first year of their award; the Board does not have the ability to extend this deadline. Over 17% of Applicants have failed to meet this requirement due to permitting delays, funding, or market conditions, causing their STE awards to go unused.

Ms. Emery continued her presentation by stating that much of the deliberations regarding the upcoming modifications to the regulations of the STE Program have centered around the

recent oversubscription. She stated that 2019 was different from previous years in that (1) there were a larger number of mid-size projects and fewer “micro” projects under \$750,000 in STE; (2) two projects reapplied after not meeting the 15% purchase requirement due to permitting, which accounted for \$21 million in STE; (3) the state has enjoyed a strong economy; and (4) Program staff conducted increased outreach and coordination with state partners. She also stated that the \$100 million annual award cap means that STE awards are not available to everyone, but that it can be difficult to choose the “best” projects between diverse industries and varied benefits and to know how to ensure awards are going to projects that need financial assistance, but might have higher risks, while trying to get the most for the State’s resources in terms of results.

Ms. Carrillo provided a summary of the goals and priorities discussed with the Board representatives: (1) strategic investment of STE awards to strengthen promotion of policy goals; (2) maximize the number of eligible companies receiving an award; and (3) streamline administration and user experience, and also recognized that there may be other goals.

Mr. Newman stated that one of the main goals when the Program was being designed was to provide an incentive for companies to do something they may not otherwise do. In order to accomplish this, the Program’s Application materials are available to potential Applicants online so they may score themselves to see if they would pass the criteria to receive an award. He stated that from there, Applicants could build the award amount as a cost savings into their business plans and make decisions based on the exclusion as part of their financial model. He stated that this provides a neutral approach of incentivizing economic activity. Mr. Newman recognized that with the \$100 million cap, there is a tension about whether or not the Authority would want to “pick and choose” who receives an STE award a little bit more. He stated that in order to try to meet some policy goals, the funding could be split into two tranches for the year. He stated that this can create a problem for companies who may have to wait six months in order to see if they will be able to receive an award, which can make a big difference for financial and business planning.

Ms. Carrillo and Ms. Emery continued discussing strategic investment of STE awards by providing examples of policy goals. Ms. Carrillo stated that one of the main goals of interest to the Board members is jobs/strong workforce, which could be furthered by prioritizing projects with higher paying jobs, in areas with high unemployment, or with more jobs compared to value of STE, and to require companies with a large number of employees to have a plan for housing their workforce. She stated that of the eligibility pathways, the highest number of jobs are associated with Advanced Manufacturing, but some of the highest environmental benefits are derived from Alternative Source projects, which do not tend to create as many jobs per project. She stated that this is one of the natural tensions that arises when choosing criteria for a more competitive process. Ms. Emery stated that another policy goal could be to prioritize small businesses, but a tension arises from trying to prioritize jobs while also prioritizing small businesses. She continued that there was discussion to also prioritize coordination with and leveraging of other state programs and priorities, targeting transformative projects that will have a big impact in their industries and the environment, prioritizing recycling projects in this time of industry turmoil giving China’s National Sword policy, and refining the definition of “manufacturing” for Advanced Manufacturing Applicants based on the North American Industry Classification System (“NAICS”) codes for

the manufacturing sector. Ms. Carrillo noted that one issue with using the NAICS code is that they are self-identified.

Ms. Carrillo stated that to achieve the goal of maximizing the number of eligible companies receiving an award, CAEATFA could lower the per-Applicant cap from \$20 million to \$10 million in STE and continue to allow for requests of additional STE at the end of the year if any of the \$100 million remains, to allow for larger, more transformative projects. CAEATFA could also consider allowing projects to receive over \$10 million only if they meet certain criteria to help promote other policy goals. Additionally, the Program could prioritize first-time Applicants. Ms. Emery added that Staff had previously worked on preparing scenarios to determine how potential modifications to competitive criteria and imposing criteria on receiving additional STE may play out, and that this exercise illustrated how competing policy goals could mean that a project could be “good enough” for receiving a large award because it provided more jobs, but, based on current competitive criteria, not be “good enough” to receive an award at all in a competitive scenario, because points are awarded to small businesses, but not for job creation.

Ms. Carrillo pointed out that because the Application is done at the front-end of a project, the information provided is generally a projection, and that while CAEATFA could consider requiring approved Applicants to meet certain milestones, there is a concern that only Applicants that are certain of their milestones would likely move forward, resulting in the Program not actually incentivizing additional investment, and those companies that may actually need the incentive would not apply for fear of not meeting the milestones. Mr. Newman added that when CAEATFA first added the competitive criteria, the criteria were selected because they could be verified at the time of Application, and were not subjective from the Applicant.

Ms. Emery continued by stating that to help streamline administration and user experience, CAEATFA could consider extending the timeframe to purchase 15% of equipment from one year to two years and give the Board the ability to waive or extend this timeframe, or alternatively, remove the 15% purchase requirement. Ms. Emery stated CAEATFA could also consider extending the required timeframe to purchase all equipment from three years to five years and continue to allow the Board to waive or extend this timeframe.

Ms. Emery then began to discuss Staff’s preliminary recommendations of potential modifications for the Board to consider. She continued by stating that for the goal of strategic investment of STE awards to better promote policy goals, CAEATFA could look at additional competitive criteria and prioritize those by adjusting the point values. She gave examples of potential competitive criteria and point values, such as:

- Raising the importance of unemployment rate in the project area by increasing scoring from a range of up to five points to a range of between five and 10 points;
- Adding a new criterion which evaluates the cost of the STE per job created by the project;
- Increasing the one point that is awarded to small businesses to three points;
- Adding a new criterion for projects with median wages of production jobs that are higher than the median wage in the county;

- Awarding points for recycling, Alternative Source, and Advanced Transportation projects in recognition of the environmental benefits of these projects;
- Decreasing the points for new Applicants from five to two; and
- Keeping the one-point criterion for Applicants with California headquarters.

Ms. Emery continued by stating that Staff recommends continuing to explore alternative approaches to distributing awards. To maximize the number of eligible companies receiving an award, Staff recommends lowering the per-Applicant cap from \$20 million in sales and use tax exclusions to \$10 million, but allowing companies to receive more STE at the end of the year if any is available. To streamline Program administration and user experience, Ms. Emery added that another recommendation is to increase the 15% purchase requirement from one to two years and to give the Board the ability to waive or extend this timeframe. She added that another potential modification is to increase the required timeframe for purchases from three to five years and continue to allow the Board to waive or extend the timeframe. Ms. Emery stated that additional Application requirements could include specific workplace safety requirements and collecting some more detailed information about jobs and wages. She stated that currently Staff looks at the totality of the circumstances with regard to workplace safety, but that new potential eligibility requirements could include not allowing Applicants who are on the Occupational Safety and Health Administration's ("OSHA") Severe Violator Enforcement Program list. Another could be disallowing Applicants who have been found guilty of a willful OSHA violation.

Ms. Emery continued that the Application could look at more detailed information on jobs and wages, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained, and if any permanent full-time jobs would be lost as a result of the project. She stated the Application could also require a description of employee housing options if the facility will have at least 5,000 employees.

After Ms. Emery concluded the presentation, Ms. Carrillo then asked to hear from the Board representatives and the public on the potential modifications. Mr. Rider asked for clarification about looking at the jobs lost as a result of the project, giving the example that the Program supports alternative fuels, which supplants fossil fuels, and that there are jobs associated with those fossil fuels that could be lost, but we would not want to reject alternative fuel projects because they supplant fossil fuel jobs. Ms. Carrillo stated that this language came from AB176, which is pending in the Legislature. She continued by stating she believes the Legislature's intent is to determine if Advanced Manufacturing, which generally involves moving to more automation, could lead to jobs lost for a specific project as a result of the automation, not necessarily looking at how projects in competing industries may supplant other jobs. Ms. Carrillo noted that anecdotally, Applicants have stated that they generally retrain employees for other purposes or find other positions within the company when a process moves to automation. Mr. Rider asked what the impacts would be of increasing the 15% purchase requirement to two years. Mr. Newman stated that the 15% purchase requirement was intended to avoid awarding to Applicants that are not ready and do not end up using the award, which might have gone to a different Applicant that was ready and would have used the award. He noted that the issue is that with only one year, many factors could make this difficult for companies. He added that if there was no yearly allocation cap, or if unused allocations would roll over to the next year, this requirement would not be as needed.

Mr. Rider stated that with California's aggressive environmental goals, we need more companies in this space, which is captured by the proposals to prioritize new applicants and lowering the cap, but we also need to be able to grow and scale existing businesses like Tesla. He suggested that CAEATFA could consider bifurcating the scoring criteria or looking at different criteria when evaluating new businesses versus existing businesses looking to scale. For example, with a scaling project you might want more jobs and more environmental benefits.

Ms. Carrillo noted that the extent to which CAEATFA will be competitive next year is still questionable given that this was the second time CAEATFA has been over-subscribed, but recognized that given how early the Program utilized the \$100 million allocation, there may be pent-up demand for next year. She continued by stating that there is also economic uncertainty with regard to the economy and tariffs. Mr. Rider stated that given this uncertainty, revisiting the 15% purchase requirement is a good idea given that if Applicants do not use the award, the allocation cannot go to a different Applicant. He asked if there was a concern that Applicants may not apply if the Program moves to a more competitive process, or if there were any downsides to the approach. Mr. Newman explained that in order to ensure a competitive process, CAEATFA would need to limit the amount of award available and move to tranches or wait until the end of the year. If, for example, CAEATFA moved to awarding \$50 million every six months and there were only a \$40 million ask, then everyone receives an award, but if there were Applicants asking for a total of \$70 million in STE, then those Applicants that did not receive an award, or those who missed the deadline, may, by the next tranche, need to move on with a potentially smaller project without the STE, or not move forward at all, which could increase the likelihood that CAEATFA does not award the full \$100 million. Mr. Newman acknowledged that if there were more tranches, there is less of a wait, but a smaller likelihood of applying the competitive criteria because of a smaller pool of Applicants.

Ms. Miller stated that she would like to see the Program modifications reflect the fact that there is now a blanket sales tax exemption for manufacturers under the California Department of Tax and Fee Administration ("CDTFA"), and that CAEATFA's STE Program is meant to be an alternative to a blanket exemption, with specific goals. She continued by stating she would like to see the Program speak very specifically to the State's climate goals, recycling goals, and other types of goals that an entitlement sales and use tax exemption could never accomplish.

Ms. Carrillo stated statute lays out the Program's specific goal, and Ms. Baker recognized the statutory goals are broad and are not prioritized. Ms. Carrillo continued by acknowledging that the goals can be in tension given that the statute mentions jobs, but also environmental benefits and that sometimes projects with the greatest environmental benefits, such as Alternative Source and recycling, do not create as many jobs; therefore, Staff is bringing these facts to the Board's attention to recognize these tensions. Mr. Agee echoed the comments recognizing the statute does not prioritize the statutory purpose and also stated the statute does not quantify the goals to give the Board specific direction.

Ms. Baker asked how many of the companies granted an award had at least 5,000 employees. Ms. Emery replied that because the Application only asks for the number of jobs associated

with a specific project, rather than an entire facility, the exact number is not certain, but estimates there are not many. Ms. Carrillo stated that the issue of employee housing was raised because of Board discussions on how we get large manufacturers to think about this issue, especially when considering commutes and other factors for employees' well-being. Ms. Baker recognized that this type of requirement would be too burdensome for the smaller companies.

Ms. Carrillo continued the discussion of how the Program can be more value-added given CDTFA's blanket exemption. She stated that when CDTFA's manufacturing exemption first started, Staff believed companies would prefer using that exemption because there is no application, reporting or fee requirement. Ms. Carrillo explained that it was just after the CDTFA exemption went into effect that CAEATFA's STE Program first became over-subscribed and that since then, the Program has fully awarded the \$100 million each year, recognizing that the deeper incentive can make a difference in whether a project can move forward or not. Ms. Miller stated that CAEATFA has the opportunity to understand what is motivating businesses to use CAEATFA's program over the CDTFA program and to use that to understand how that fits in with the existing state goals, but also the existing state incentive programs.

Ms. Miller stated that determining whether to increase the timeframe for the 15% purchase requirement will also be based on whether CAEATFA wants to prioritize projects that are ready to start immediately. She stated that the answer might not be changing the timeframe, but rather just giving the Board the ability to waive the requirement. She thanked the Staff for being willing to continue working to improve the Program.

Ms. Miller stated that it is important to note that the Program was only oversubscribed for this one year. Mr. Rider stated that future oversubscription was not a foregone conclusion, but that his concern was from seeing a ramp-up effort in the green industry.

Mr. Mack stated that the STE Program has done a good job in the past of balancing all of the goals given by statute, and agreed that over-subscription for one year does not indicate a trend. He stated that most of the modifications to the Program should be made around the edges, such as with the competitive criteria. He continued by stating that he is not convinced the process needs to be competitive during the normal Application phase, and that keeping the rolling basis of reviewing Applications through the year is a proven system. He recommended that the Board needs to consider what problems need to be fixed with these regulations before attempting to make changes. Mr. Mack then stated that the Legislative Analyst's Office analysis suggested the Program was over-bureaucratized, and he recognized that it would be good to streamline the process and was interested to hear from Applicants.

Ms. Baker asked how Staff determined the proposal of the \$10 million cap. Ms. Emery replied that 90% of Projects have been for awards under \$10 million. Ms. Baker recommended that lowering the cap is something the Board should adopt given that \$20 million is large, representing one-fifth of the \$100 million cap, and suggested that it is too big for one Applicant, and that she would be open to a lower cap of \$5 million or \$7 million.

Mr. Rider stated that there is not much time until 2020, and asked what the timeline would

look like for the public workshop and approval process. Ms. Carrillo replied that part of the purpose of this meeting is to receive comment from stakeholders, then for Staff to take today's input, propose regulatory changes and provide another opportunity for public comment, after which Staff will have a regulatory package brought before the Board for approval. She added that since CAEATFA has emergency rulemaking authority, the new regulations could be in effect before the 2020 awards.

Mr. Agee summarized the Board's direction for Staff as: (1) ensure modifications are data-driven; (2) keep changes incremental at this time; and (3) bifurcate the regulatory modification process to handle some incremental changes now before 2020, and make those changes that need more time to think through at a later time.

Mr. Agee then asked if there were any comments from the public.

Michael Sylvester, Senior Tax Director at Space Exploration Technologies Corp. ("SpaceX"), stated that SpaceX received two STE awards from CAEATFA. He stated that the exclusions granted by the STE Program have helped to facilitate SpaceX's expansion and growth from both an investment and employment perspective. Mr. Sylvester stated that when the company received its first award in October 2015, it had around 18 buildings and was operating in a little over 1 million square feet, and that they have been able to expand to 34 buildings and about 1.8 million square feet. He also stated that the company has expanded its workforce in the same timeframe from approximately 4,150 employees to about 4,750. Mr. Sylvester added that these are high paying engineering, production, and support function jobs.

Alyssa Giachino, representative with the United Automobile Workers ("UAW"), stated that the UAW respects CAEATFA's mission to support environmental innovation and manufacturing in California, and believes that the Program needs to focus on benefits to the State and its workers. Ms. Giachino stated that though it is important to stimulate growth and green technologies, the Program should be designed to help create high-paying jobs and to provide safe working conditions, and promote workers' rights. She stated that CAEATFA is currently limited by the information it has on the types and quality of jobs that are created by companies that participate in the Program, which makes it difficult to assess the value added for communities. She also stated that it would be valuable to prioritize employee benefits, retirement, and to dis-incentivize reliance on temporary workers. Ms. Giachino added that the Board should have clearer ability to terminate contracts and even the ability to issue claw-backs with companies that do not meet the Program's standards.

Shawn Garvey, representative from Momentum (formerly known as Grant Farm) stated that Momentum has helped approximately 25 projects come before the Board for consideration, totaling about \$1 billion in equipment. He stated that the STE Program is one of the best incentive programs the State has to offer due to the ease of use, transparency, Staff availability, and financial certainty. Mr. Garvey stated that the STE Program is more useful to companies than many other tax incentives because the higher degree of certainty the Program offers, as a result of the clear eligibility criteria and publically available scoring sheet, allows the exclusion to be factored into his clients' financial models so that they can use the STE to make business decisions. He added that a \$5 million STE cap would be a way to accommodate more Applicants but is still a substantial amount, and does not mean larger

projects would not pursue this incentive, as it would still benefit the company for the first \$50-\$60 million it spent. He recommended lowering the cap as opposed to removing the relative certainty of whether a potential Applicant will qualify for an STE given the benefits of being able to use the STE award to make business decisions.

Julia Levin, representative with the Bioenergy Association of California (“BAC”), stated that the BAC represents over 20 cities and counties in California, over 50 companies converting organic waste to energy, and the State’s waste and wastewater industries. She stated the STE Program’s investment in biofuels is important to help the State reach its short-lived climate pollutant goals. Ms. Levin offered a suggestion for a new competitive or scoring criterion: reduction of short-lived climate pollutants, such as methane and black carbon. She stated that unlike typical greenhouse gas reductions, which do not make a noticeable difference in the climate for several decades, eliminating short-lived climate pollutants can improve the climate almost immediately. She added that nearly a third of the State’s climate goals in Senate Bill 32 are for the reduction of short-lived climate pollutants.

Erin Bradley, Associate General Counsel, Tax Incentives at Tesla, Inc. (“Tesla”), stated that Tesla has received several awards from the STE Program, and the exclusions were a key factor in Tesla’s decision to locate in California. She asked for details about how the reporting on housing would apply for companies with more than 5,000 employees. Mr. Agee replied that likely the housing requirement would only apply for companies that were being considered under the competitive criteria process, and that as housing is only a secondary goal of the Program, its weight for consideration would be adjusted accordingly. Ms. Bradley stated that Tesla currently provides shuttles for its workers, and it will be interesting to see what the scoring takes into account.

Alex Tran, Managing Director at California Incentives Group, stated that the Program provides a meaningful incentive that its clients can incorporate into their business models. He stated that the reliability of this Program is in stark contrast to many other incentive programs in California. Mr. Tran stated that the 15% purchase requirement should remain, or even become more stringent, as it deters many companies from applying who do not know if they will be able to move forward with their projects. He also stated that he disagrees with expanding the timeframe for making purchases from three to five years, because after around three years, any projections companies give are little better than guesses. Ms. Miller thanked Mr. Tran for his insights.

Phillip Herrera, representative of Herrera & Company Management Consulting, and expert at the Employment Training Panel, stated that he has worked in the consulting industry for 30 years, and he has never seen an incentive as well received as the Sales and Use Tax Exclusion Program. Mr. Herrera stated that given the success of this Program, modifications can help to sort out some issues, but the core of the Program and the way it works should remain largely untouched.

Ms. Carrillo stated that any more public comments can be submitted by Friday, September 20th, to be considered before the next public regulations workshop.

There were no further public comments.

5. PUBLIC COMMENT

Mr. Agee asked if there were any additional comments from the public and there were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 12:39 p.m.

Respectfully submitted,

Deana J. Carrillo
Executive Director