



**Q3 2019 Meeting Summary and Minutes
Governor's Military Council
August 13, 2019
Sacramento, CA**

Chair, Colonel Rocky J. Chávez, United States Marine Corps (Retired) called the Council's Q3 Business Meeting to order at 11:03 AM.

Members Present at Roll Call:

- Chair, Colonel Rocky J. Chávez, United States Marine Corps (Retired)
- Vice-Chair, Vice Admiral Jody Breckenridge, United States Coast Guard (Retired)
- Major General Mathew Beevers, United States Army
- Lieutenant General Edward Hanlon, Jr., United States Marine Corps (Retired)
- Lieutenant General Eugene L. Tattini, United States Air Force (Retired)
- Vice Admiral Daniel Oliver, United States Navy (Retired)
- Colonel Deborah Aspling, United States Air Force (Retired)
- Major General Alice Astafan, United States Air Force (Retired)
- Major General Anthony L. Jackson, United States Marine Corps (Retired)
- Rear Admiral James Johnson, M.D., United States Navy, (Retired)
- Major General Dennis Kenneally, United States Army (Retired)
- Major General Eldon P. Regua, United States Army (Retired)
- Rear Admiral Kenneth D. Slaght, United States Navy (Retired)
- Rhys Williams, Senior Advisor on Emergency Preparedness and Management, Office of Governor Gavin Newsom
- Thomas R. Berard, Senior Executive, Department of the Air Force (Retired)
- Philip E. Coyle, Defense Expert and former BRAC Commissioner
- Joseph A. Czyzyk, Chairman and CEO, Mercury Air Group
- Charles A. Giacchi, Senior Executive, Department of the Navy (Retired)
- Senator Bob Archuleta, California State Senate District 32
- Assemblymember Jacqui Irwin, California State Assembly District 44
- Mr. Scott Morgan, Chief Deputy, Governor's Office of Planning and Research
- Mr. Kaina Pereira, Assistant Deputy Director, Governor's Office of Business and Economic Development

A quorum was established. Councilmember Alice Astafan led the room in the Pledge of Allegiance.

Agenda Item 1 – Welcome:

Chair Chávez welcomed the newest member of the Council, Senator Bob Archuleta. Chair Chávez continued his opening statements by acknowledging longtime friend and Assemblymember Jacqui Irwin.

Chair Chávez concluded his opening statements by welcoming the Governor’s Military Council and invited guests:

- Devin Lavelle, Senior Researcher at California Research Bureau
- Ryan Kohut, Senior legal counsel of SANDAG
- Captain Brien Dickson, Commanding Officer of Naval Base Point Loma

Agenda Item 2 - Consideration of Action Items:

Vice-Chair, Jody Breckenridge expressed her determination to better understand the composition and intent of the Governor's Military Council. To accomplish this task, Chair Chávez and Vice-Chair Breckenridge will be reaching out to Councilmembers to ensure the Council remains viable and effectively staffed.

Mr. Andreas Mueller, Executive Director of the Governor’s Military Council, opened his remarks by introducing the "California Statewide National Security Economic Impact" report. Mr. Mueller noted the significance of the defense industry in the state of California and the Council’s growing share in national defense spending. Mr. Mueller emphasized that 2018 was the second year in a row in which the State of California received more money for defense than any other state in the country.

Councilmember Eugene Tattini stressed that although the DoD jobs and investment in California have increased, current levels are still well below historical funding levels before BRAC rounds devastated the California defense industry. Councilmember Tattini also stated that the current level of employment and expenditure throughout the state of California does not necessarily reflect an increase, but rather a struggle to hold DoD jobs and spending at a consistent level.

The Economic Impacts of National Security Spending in California

Mr. Devin Lavelle, Senior Researcher of the California Research Bureau provided the Governor’s Military Council with a brief on the 2019 Economic Impact Study.

In his research, “Economic Impacts of National Security Spending in California,” Mr. Lavelle suggested that the preliminary results for the state of California in 2018 indicate that national security spending and employment generated \$167.3 billion in total economic activity (direct,

indirect and induced), resulting in approximately a 7.0% increase since 2016. To complement these statistics, Mr. Lavelle also noted that national security spending and employment generated an estimated 795,000 full-time equivalent jobs in California, an increase of 3.6% from 2016.

In his presentation, Mr. Lavelle suggested that Veterans Affairs benefits had an increasing trend since 2012, but recently shown a decrease in total spending in the year 2018. He emphasized that the results of his research are in nominal terms and have not been adjusted for inflation. Therefore, the results indicate a rather flat trend line over time.

Councilmember Beevers suggested that future analysis should include comparison between California and other states to provide a more complete snapshot of the state's defense spending.

Mr. Lavelle addressed Councilmember Beevers' suggestion and acknowledge the potential benefit of a multiple state comparison. However, Mr. Lavelle stated that no such research has been completed to the best of his knowledge.

Chair Chávez noted that although the Governor's Military Council cannot change history, it is important for the Councilmembers to understand that the Council's task is to prevent history from repeating itself and to ensure that California is more attractive the DoD and supporting services.

Mr. Mueller noted that although the Governor's Military Council faces the difficult task of bringing additional defense support to the state, the Council is directly responsible for over \$1 billion in direct investment to the California economy last year. Mr. Mueller expressed that this funding would not be possible if it were not for the efforts of the Council and specific individuals.

Approval of Action Items and Discussion

Chair Chávez motioned to adopt approval of the Military Council's Business Meeting minutes for Q1 of 2019 and the approval of the Preliminary results from 2019 Statewide National Security Economic Impact Study.

1. Chair Chávez made a motion for the approval of the 2019 Q1 Business Meeting minutes. Councilmember Edward Hanlon Jr. seconded the motion. The minutes were then approved without contest.
2. Chair Chávez called for a discussion and then approval of the results from "The Economic Impacts of National Security Spending in California," released in 2019 using 2018 data. Councilmember James Johnson seconded the motion. The preliminary results were approved without contest.

Agenda Item 3 - San Diego Association of Governments (SANDAG) Brief

Ryan Kohut, Senior legal counsel of SANDAG provided a brief on the preliminary project concept of the Old Town Complex project. Mr. Kohut explained the purpose of the Old Town Complex project is to create a sustainable live and work transportation system on two parcels owned by the Navy in San Diego.

Mr. Kohut explained that SANDAG's mission is to develop a bigger bolder transportation vision that will transform the way people and goods move throughout the San Diego region. Key Strategies, known as the "5 Big Moves," include complete corridors, transit leaps, mobility hubs, flexibility fleets, and next operating system (OS). This proposed framework is intended to enhance connectivity, increase safety and sustainability, and improve the quality of life for sailors and San Diego residents alike. Mr. Kohut emphasized that the proposed concept of a San Diego "Grand Central" station is key to the SANDAG transportation vision.

In September, the SANDAG board will vote to fund \$50 million to begin the initial analyses of the environmental impacts from the proposed concept of the Old Town Complex project. These analyses include market analysis, financial assessments, and infrastructure demands.

Mr. Kohut concluded his remarks to the Council by noting the corresponding relationship between the funding needed for the Old Town Complex project and the demand for housing in the San Diego region.

Agenda Item 3 - Naval Base Point Loma Brief

Captain Brien Dickson provided a brief to the Councilmembers on the Naval Information Warfare Systems Command's (NAVWAR) posture on the Old Town Complex project concept proposed by SANDAG. CAPT Dickson began by stating that the current facility is undercapitalized and does not attract high-tech talent, nor does it serve as a regional transportation focal point. CAPT Dickson continued by noting that the proposed project concept allows the Navy to have a top-notch facility while developing a regional transportation hub that will serve the whole community of San Diego. He then explained that the Navy's primary focus is the NAVWAR mission but acknowledged that Navy is keeping the aperture wide open when identifying potential solutions.

CAPT Dickson concluded his brief by conveying the importance of making the San Diego citizens a priority and that the Old Town Project Complex must have a focus directed toward building trust between the Navy and the community of San Diego while maintaining mission effectiveness.

Mr. Mueller affirmed that the Council will be a large part of this project moving forward stated the Council should be prepared to provide state and federal aid when required.

Agenda Item 5 - Staff Update on Council's Current Efforts

Policy Advisor, Ms. Allison Hsieh began her brief by updating the Councilmembers on the state efforts since the first quarter Business Meeting.

Ms. Hsieh identified that the California Military Department's J-9 section (Facilities) procured funding to identify shortfalls at Joint Forces Training Base (JFTB) Los Alamitos. Ms. Hsieh also suggested that JFTB Los Alamitos is looking for creative funding solutions to support the Olympic pool because of reductions in federal funding availability. JFTB is also the fourth installation to raise the awareness of the insufficient funds that basic allowance for housing (BAH) provides in relation to the high cost of living expense in various regions of California.

Ms. Hsieh then requested that the Councilmembers keep a record of and inform her of any Council actions and developments throughout the year to add to the list of Council activities and accomplishments.

Ms. Hsieh concluded her brief by reporting that the Defense Logistics Agency requested assistance with the federal wage grades. The Council provided a letter of support for service members in the high cost of living areas to receive a survey for the potential to increase locality pay.

Mr. Kaina Pereira, representing the Governor's Office of Business and Economic Development provided an update for the Parks Reserve Force Training Center. Mr. Kaina informed the Councilmembers that a switching panel failed on the base, significantly reducing the capabilities of the base to continue its mission plan. He is working with base leadership to find solutions to this issue and reduce vulnerabilities at the site in general.

Agenda Item 6 - Executive Director Update

Mr. Mueller provided an updated review of the Governor's Military Council Work Plan 2019 and ongoing state and federal funding efforts. He expressed the concern that while California continues to be well-positioned regarding strategic budget predictions, competition from other states has continued to escalate.

Mr. Mueller stated the defense budget will reflect the National Defense Strategy and National Readiness Strategy. He concluded his brief by conveying that although funding confusion still exists between DoD, the White House, and Congress, sequestration is no longer the law of the land.

Vice-Chair Breckenridge provided an update regarding the local perspective in and around the military installations in California. She also noted that defense communities are a focal point and stressed that the Council will continue to ensure partnerships and relationships are maintained.

Chair Chávez noted that California is well represented via its membership in the Association of Defense Communities (ADC) and other national organizations, the state's federal advocacy

efforts under Mr. Mueller, and other state and national programs aimed at supporting the CA defense industry.

Several Councilmembers began to voice additional areas where the Council can have an impact on national security in the state. Councilmember Slaght spoke on limited exchanges between DoD and civilian cybersecurity workforce, suggesting that the dialog between all agencies in the cybersecurity sector needed to increase. Councilmember Johnson suggested there may be a perfect storm brewing around healthcare reform in the military and more specifically veterans' health care. He continued that California currently has many public and private partnerships that can be used to develop policy proposals and postures moving forward. Finally, Councilmember Giacchi noted that the California sea range is possibly the most important asset to the California defense industry, stressing that pressures currently exist that threaten the crucial sea ranges and positing that California has generally developed a collaborative process to minimize negative effects.

Mr. Mueller concluded his brief by stating that the California defense sector has largely been a success because of the work and activities performed by the Council and individual members.

California Governor Gavin Newsom and Military Council Update

California Governor Gavin Newsom joined the Council meeting at 12:35pm. He greeted the Council and Chair Chávez welcomed the Governor, remarking on the wealth of knowledge, skills, and experience on the Council. Chair Chávez then informed Governor Newsom that his Council has spent the last number of years traveling around the state and visiting numerous military installations to ensure the success and growth of the California defense industry.

Chair Chávez updated the Governor on current Council activities and briefed him on the mission and vision of the Military Council, explaining that Council's mission is to grow military operations in the state as well as provide insight and guidance to state leaders.

Governor Newsom thanked the Military Council for their commitment to national security and then initiated a discussion surrounding the goals of the upcoming All California Defense Leadership Summit. Chair Chávez informed Governor Newsom of the Summit's importance as both a tool to learn and understand threats and opportunities facing national security activities in the state, as well as the state's premiere forum to convey important state and federal information and initiatives to support military operations.

After a brief discussion on the purpose and intent of the Summit, Councilmember Hanlon provided the Governor with an overview of past actions, accomplishments and future direction of the Council, touching specifically on recent earthquake events in Ridgecrest and how they impacted the Naval Air Weapons Station at China Lake.

Governor Newsom concluded his visit by discussing the significance for him personally during the 1996 Base Realignment and Closure round that decommissioned the Presidio in San

Francisco, thanking the Councilmembers for their efforts in promoting national security in the state.

Chair Chavez called for a 30-minute break at 1:03 pm. The meeting resumed at 1:48 pm

Agenda Item 7- Q2 Small Team Site Visits

Following the break Chair Chávez resumed the meeting by giving the floor to Mr. Mueller who then asked for all Team Leads to present the most current updates for each facility visited in Q2.

Defense Microelectronics Activity – March 4, 2019

- *Team Leader:* Colonel Deborah Aspling, United States Air Force (Retired)
- Major General Alice Astafan, United States Air Force (Retired)
- Dr. Vito Imbasciani, Secretary, CalVet
- Allison Hsieh, Staff, Governor Council, and Gareth Smythe, Staff, Governor Council

The Council Delegation met with Defense Microelectronics Activity (DMEA) senior leadership to discuss the mission, future projects, and threats to the agency and toured the facilities during their visit.

Councilmember Aspling informed the Council of the small team visit in Q2 to the DMEA facility. In Councilmember Aspling's brief, she stated that the federal funding for cleanup is on track. In addition, bringing industry and housing to McClellan Park is moving at a faster pace than the Mather facility experienced in the past.

Councilmember Aspling commented that although DMEA is a small operation its mission is extensive in creating a maintenance system for technologies that are no longer being produced. In addition to this project goal, the DMEA is reverse engineering products to modify components for future use. Councilmember Aspling expressed that another one of DMEA's goals is to create new hardware systems that will enable the evaluation of technologies and products overall life span. Councilmember Aspling noted that this was the Council's first visit to the DMEA facility and that it is crucial that the Council continue to support and communicate with DMEA, including more consistent visits.

Councilmember Aspling continued her brief by noting that a Community support council is non-existent, and the Governor's Military Council should assist DMEA to develop a community support organization when needed.

The DMEA foundry once complete, will be one of the only microelectronics foundries in the U.S. and must be maintained to ensure trusted status of all ICs. In conclusion, Councilmember Aspling stressed that even though the DMEA facility's footprint is small it is looking forward to bigger operations in the future.

Naval Air Station Lemoore – April 5, 2019

Details on the Naval Air Station Lemoore (NASL) mission, economic impact, projects and conflicts were provided to the Council Delegation by the senior leadership at NASL.

- *Team Leader:* Mr. Joe Czyzyk
- Ms. Susanna Schlendorf, Chief of Staff for Assembly member Jacqui Irwin
- Allison Hsieh, Staff, Governor Council, and Gareth Smythe, Staff, Governor Council

In his opening remarks Councilmember Czyzyk informed the council of the NASL mission which enables the warfighter and supports the fleet, fighter and family.

- F-35C Joint Strike Fighter Wing headquartered in Lemoore to oversee all training, manning and readiness for all for all Navy F-35C squadrons.

Mr. Czyzyk noted that one the biggest concerns he has is the Operations base and Administration base are separated by 5 miles. He then drew attention to various challenges the base is experiencing due to the current water restrictions.

Councilmember Czyzyk conveyed additional water restriction concerns with the Westlands Water District and implications due to the base operating only one well for emergency drinking water (however, in violation for arsenic contamination)

In conclusion of the water concerns, Councilmember Czyzyk explained how the ground basin resources are being over-drafted and expending all surface water resources for life support throughout the base.

Parks Reserve Forces Training Area / Lawrence Livermore National Laboratory – April 16-17, 2019

The Council Delegation received the Parks RFTA Command Brief, Group Lunch at DFAC, Windshield Tour of Post, and a tour of 84th Training Command (USAR) Mission Command Training Center (MCTC)

- *Team Leader:* Major General Eldon Regua, United States Army (Retired)
- Mr. Phil Coyle
- Mr. Kaina Pereira

Councilmember Regua began his brief on Camp Parks by addressing the solar array and micro grid issues. Loss of a switch gear box and micro-grid complications resulted in a 50% decrease in power at times. Councilmember Regua explained the need for full power capabilities to run the multiple missions Camp Parks is involved in. He then noted that Camp Parks is a hub of innovation which involves constant manufacturing of kinetic weapons such as the Navy's new rail gun, high explosive projectiles, gun propellants, and bombs designed to penetrate hard targets.

Councilmember Regua then explained the current necessary action items which include, the replacement of water and sewer infrastructure, new gas lines, and a new switch gearbox to enhance power capabilities. In addition to these action items, Councilmember Regua expressed that Camp Parks needs a proper fitness center and new barracks space. He stated that \$25M (pre-built concrete block barracks around \$15M), MILCON is needed for build out. Councilmember Regua commented on the recent challenges Camp Parks is experiencing due to the high cost of living in the surrounding

area. Councilmember Regua concluded his brief by conveying his concerns about the lack of a Child Development Center, locality pay, and the ability to hire and retain talent on base.

Naval Surface Warfare Center Corona – May 10, 2019

Escorted by Naval Weapons Station Seal Beach Public Affairs Officer, Gregg Smith and Naval Surface Warfare Center (NSWC) Corona Infrastructure Division Head, Mike Jauregui, the group was escorted to BLDG 204, the Range Systems Engineering Lab, where they received a brief on the adaptive reuse of historic structures to meet critical work space requirements and toured the Range Systems Engineer Lab with Facilities Manager, Asish Patel, and Range Systems Engineering Department Head Joe Lukacsffi.

- *Team Leader:* Mr. Charlie Giacchi, SES, United States Navy (Ret.)
- Rear Admiral James Johnson, United States Navy (Ret.)
- Senator Richard Roth, Major General, United States Air Force (Ret.)
- Ms. Carina Tamayo, District Representative, Senator Roth
- Ms. Allison Hsieh, Policy Analyst, Governor's Military Council

Councilmember Giacchi initiated his brief on the Naval Surface Warfare Center in Corona California by explaining its unique history that began in 1928 as a recreational resort. He then commented on the current mission of the Naval Surface Warfare Center which includes, systems engineering, fleet readiness, and weapon systems calibration.

Councilmember Giacchi conveyed two examples of the wide-ranging weapon systems calibration done in the Measurement Laboratory. These weapons calibrations include rifle scopes on the small end of the spectrum and full-scale missiles on the large end. Councilmember Giacchi expressed that limited land and building space is one of the major challenges at the Naval Surface Warfare Center. He also noted, additional office space and facilities are needed for research and development.

In conclusion, Councilmember Giacchi stressed the importance of the Governor' Military Council and its involvement in assisting with future projects at NSWC Corona.

Naval Air Weapons Station China Lake – May 15-16, 2019

Councilmembers met with members of the local community support organization, China Lake Alliance, in addition to Ridgecrest Mayor Peggy Breeden and her City Manager, Police Chief and School Superintendent. The meeting was well-organized, and communication was forthright. Councilmembers came away with a sense that the relationship the city and DoD complex is professional, cordial and mutually supportive. Councilmember Hanlon begins his brief by giving a brief history on the history of the base and its formation to support WWII Naval Aviation testing and training.

- *Team Leader:* Lieutenant General Edward Hanlon, United States Marine Corps (Ret.)
- Rear Admiral Ken Slaght, United States Navy (Ret.)
- Colonel Deborah Aspling, United States Air Force (Ret.)

Councilmember Hanlon began his brief with a major issue that has been weighing heavily on the Ridgecrest community. Councilmember Hanlon then gave a brief overview of the current tax situation.

Sales tax revenue from internet sales: new legislation in California precludes revenue for the county from also going to Ridgecrest for infrastructure development. Internet sales limits commercial retail growth and tax source so the funds from the internet tax become more important. Kern County is directing most of these funds to Bakersfield to the detriment of Ridgecrest, which needs funds to support infrastructure despite its low tax base.

Councilmember Hanlon conveyed another key issue in addition to internet sales tax is the community of Ridgecrest's inability to capture revenue for schools and infrastructure due to limited sales tax, limited tax from house growth, and lack of tax incentives that could bring new business to support the local economy.

Councilmember Hanlon then noted that the city of Ridgecrest is seeking a resource agreement to gain access to the LA aqueduct to supplement the city's demands.

The next topic Councilmember Hanlon addressed during his brief was the housing issues on China Lake and in the surrounding areas of Ridgecrest. Councilmember Hanlon explained the housing issue by pointing out key components that have contributed to the problem.

- Majority of the folks who worked at NAWS used to live on NAWS base (over 4,000).
- When the Navy decided to "get out of the housing business," civilians were moved to the community of Ridgecrest.
- There is an insufficient quantity of affordable housing for new NAWS employees to purchase.
- Lack of funds from city revenue limits community development projects.

Councilmember Hanlon then briefed the Council on the estimated costs of the significant damages from the earthquakes on the 4th and 5th of July.

- Total costs to rebuild damages on China Lake is estimated between \$100-200 million
- North portion of China Lake power is still down, currently running generators
- \$35 million to repair Hospital and supporting facilities

In conclusion, Councilmember Hanlon expressed the magnitude of damage is still yet to be fully determined and reminds the Council that China Lake is the world's largest base, covering 1.3 million acres.

Navy Post Graduate School / Naval Support Activity / Presidio of Monterey – June 17, 2019

The final Small Team visit by Councilmembers was to the Presidio of Monterey (POM):

- *Team Leader:* Vice Admiral Dan Oliver, United States Navy (Ret.)
- Vice Admiral Jody Breckenridge, United States Coast Guard (Ret.)
- Lieutenant General Gene Tattini, United States Air Force (Ret.)
- Major General Tony Jackson, United States Marine Corps (Ret.)

Councilmember Oliver began his brief with explaining the most pressing challenges the POM is currently facing.

- Recruiting
- Specialty health care shortages (e.g. social workers, child behavioral specialists)
- Spousal employment opportunity (e.g. certification, license reciprocity)
- Affordability of housing (Fort Ord effect)
- Resilient and sustainable infrastructure (i.e. electric grid and water supply)

The next aspect of the Monterey area that Councilmember Oliver addressed is the multiple DoD agencies (14 including Coast Guard) in the area that are lacking efficient communication with one another.

Councilmember Oliver also asked the Council to see challenges through proactive lenses rather than reactive lenses, to combat the challenges that installations face when experiencing a change of command every few years.

Councilmember Oliver suggested a more aggressive outreach to defense community organizations.

Another focal point that Councilmember Oliver made in his brief is the potential for economic growth and development driven by tourism and agriculture to support the POM.

Councilmember Oliver then commented on the critical asset of the Defense Foreign Language Institute and how its essential mission deters any chance of BRAC in the future.

Councilmember Oliver concluded his brief by asking the Council to be aware of the housing market in the Monterey area. As BAH increases, housing prices will follow resulting in a decrease in demand for housing which will ultimately affect market equilibrium and thus, create a deadweight loss in the housing market.

2:45pm – 3:00pm Public Comment

3:00 pm Adjourn

As no members of the public wished to speak, Chair Chávez motioned to adjourn the meeting. Councilmember Hanlon seconded this motion and Chair Chávez adjourned the meeting at 3:07pm.