



STATE PUBLIC WORKS BOARD

January 13, 2020

APPROVED MINUTES

PRESENT:

Ms. Gayle Miller, Chief Deputy Director, Department of Finance
Mr. Jim Davis, Chief Deputy Director, Department of Transportation
Ms. Jacqueline Wong-Hernandez, Deputy Controller, State Controller's Office
Mr. Blake Fowler, Director of Public Finance, State Treasurer's Office
Mr. Bryan Cash, Assistant Secretary for Administration and Finance, Natural Resources Agency

CALL TO ORDER AND ROLL CALL:

Ms. Gayle Miller, Chairperson of the Board, called the meeting to order at 10:01 a.m.
Ms. Kat Lee, serving as Secretary to the Board, called the roll. A quorum was established.

BOND ITEMS:

The first order of business was to consider two Bond Items:

- Bond Item 1: Ms. Sally Lukenbill, Deputy Director for the Board, indicated that if approved, Bond Item 1 would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution and delivery of a Project Delivery Agreement, and other related actions for the construction of the El Centro Area Office Replacement project, in Imperial County, for the California Highway Patrol.

Staff recommended adoption of the resolution.

Ms. Miller asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Ms. Wong-Hernandez and seconded by Mr. Davis to adopt the staff recommendation. The motion passed unanimously through a 4-0 roll-call vote (Ms. Miller, Mr. Davis, Ms. Wong-Hernandez, and Mr. Fowler all voting aye).

- Bond Item 2: Ms. Lukenbill indicated that if approved, Bond Item 2 would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution and delivery of a Project Delivery Agreement, and other related

actions for the construction of the New Richards Boulevard Office Complex project, in Sacramento County, for the Department of General Services.

Staff recommended adoption of the resolution.

Ms. Miller asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Ms. Wong-Hernandez and seconded by Mr. Davis to adopt the staff recommendation. The motion passed unanimously through a 4-0 roll-call vote (Ms. Miller, Mr. Davis, Ms. Wong-Hernandez, and Mr. Fowler all voting aye).

APPROVAL OF MINUTES:

The next order of business was to approve the minutes from the December 13, 2019 Board meeting.

Ms. Lukenbill reported that Board staff had prepared and reviewed the minutes from the December 13, 2019 Board meeting, and recommended approval of the minutes.

Ms. Miller asked if there were any questions, or comments from the Board, or from the public. There were none.

A motion was made by Mr. Davis and seconded by Ms. Miller to approve the minutes from December 13, 2019. The motion passed unanimously through a 2-0 roll-call vote (Ms. Miller and Mr. Davis both voting aye).

Ms. Miller thanked and excused Ms. Wong-Hernandez and Mr. Fowler.

CONSENT ITEMS:

The next order of business was to consider two Consent Calendars. First, Consent Calendar A was presented, which included one project within the Natural Resources Agency. Ms. Lukenbill presented the following:

- Consent Item 1: Consider authorizing the acquisition of real property and the execution of a Property Exchange Agreement and related agreements, for the Shasta Trinity Unit Headquarters/Northern Operations Facility Relocation project, in Shasta County, for the Department of Forestry and Fire Protection.

Staff recommended approval of Consent Calendar A.

Ms. Miller asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Mr. Bryan Cash and seconded by Mr. Davis to approve Consent Calendar A. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Davis, and Mr. Cash all voting aye).

After Consent Calendar A, Mr. Cash left the meeting, as there were no additional items on the agenda for which Mr. Cash, representing the Natural Resources Agency, was a voting member.

Next, Ms. Lukenbill presented Consent Calendar B, which consisted of one item:

- Consent Item 1: Consider authorizing an above market value acquisition of real property, and the execution of a Property Acquisition Agreement and other related agreements, for the North Valley Animal Health and Safety Laboratory in Turlock, Stanislaus County, for the Department of Food and Agriculture.

Staff recommended approval of Consent Calendar B.

Ms. Miller asked if there were any questions from the Board, or from the public. There were none.

A motion was made by Mr. Davis and seconded by Ms. Miller to approve Consent Calendar B. The motion passed unanimously through a 2-0 roll-call vote (Ms. Miller and Mr. Davis both voting aye).

ACTION ITEMS:

The next order of business was to consider one action item.

- Action Item 1: If approved, the action would adopt five Resolutions of Necessity authorizing the use of eminent domain to acquire various properties for the High Speed Rail Authority.

Ms. Lukenbill stated that the parcels that were the subject of the action were within the right of way for the initial Operating Segment, Section 1 of the High Speed Train System.

On December 23, 2019, Notices of Intent to adopt a Resolution of Necessity were mailed to the property owners. The notice was sent in accordance with Code of Civil Procedure section 1245.235.

Ms. Lukenbill noted that the members' briefing packages contained the Resolutions of Necessity and maps for each of the properties and also contained objection letters as to property #4, the Alpaugh Irrigation District property in Tulare County, and as to property #5, the McConnell Farms property in Kern County.

Shadbanou Azad, serving as counsel to the Board on eminent domain issues, presented the Resolutions of Necessity.

Ms. Azad first presented the unopposed Resolutions of Necessity, and noted that the unopposed Resolutions of Necessity for the Terlip-Backowski, DCTN3 388 Fresno, and Hyeland Farming properties had been reviewed to ensure there was prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 were present.

Staff recommended adoption of the three Resolutions of Necessity authorizing the use of eminent domain.

Ms. Miller asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Mr. Davis and seconded by Ms. Miller to adopt the three Resolutions of Necessity. The motion passed unanimously through a 2-0 roll-call vote (Ms. Miller and Mr. Davis both voting aye).

Ms. Azad presented the first opposed Resolution of Necessity for property #4, the Alpaugh Irrigation District property in Tulare County.

Ms. Azad stated that the Resolution of Necessity, the objections, and the High Speed Rail Authority's response had been reviewed and it was counsel's opinion that there was prima facie evidence for the factors were present for the Alpaugh Irrigation District property and that if the Board agreed and determined the factors were present, the Board may move to adopt the Resolution of Necessity.

Staff recommended adoption of the Resolution of Necessity authorizing the use of eminent domain.

Ms. Miller asked if there were any questions from the Board. There were none.

Mr. Mark Wasser, attorney representing the Alpaugh Irrigation District, approached the Board.

Mr. Wasser raised multiple concerns including whether the necessary number of members was present to take action on the item, that the High Speed Rail Authority was moving forward with the project without a final design, and that the project is currently designed to put the rail bed through the reservoirs of the Alpaugh Irrigation District property. He also noted that Alpaugh is a public agency that is fulfilling its statutory requirement. For these reasons, he asked the Board to not approve the Resolution of Necessity.

Mr. Kenny Louie, counsel for the Board, approached the Board and addressed the concerns of Mr. Wasser related to the number of Board members necessary to take an action on the item.

Ms. Kendall Bonebrake, counsel for the Authority, approached the Board.

Ms. Bonebrake addressed the concerns of Mr. Wasser. She stated that Joe Hedges, Chief Operating Officer at High Speed Rail, had worked closely with the General Manager of the Alpaugh Irrigation District and had a proposal from Alpaugh as to how to mitigate the issue and confirmed they will continue to work together.

Mr. Davis requested clarification as to how the project was impacting the Irrigation District.

Ms. Bonebrake confirmed that the design is clear through the area of alignment and that mitigation measures have been identified and will continue to be reviewed.

Mr. Wasser stated that the record is deficient in that it does not contain the information that supports what Ms. Bonebrake is presenting to the Board.

Ms. Miller stated that the statements are now in the record and that High Speed Rail will continue to work with the Alpaugh Irrigation District.

Ms. Miller asked if there were any other questions from the Board, or from the public.

A motion was made by Mr. Davis and seconded by Ms. Miller to adopt staff recommendation. The motion passed unanimously through a 2-0 roll-call vote (Ms. Miller and Mr. Davis both voting aye).

Ms. Azad presented the second opposed Resolution of Necessity for property #5, the McConnell Farms property in Kern County.

Ms. Azad stated that the Resolution of Necessity, the objections, and the High Speed Rail Authority's response have been reviewed and it was counsel's opinion that there was prima facie evidence for the factors that were present for the McConnell Farms property and that if the Board agreed and determined the factors were present, the Board may move to adopt the Resolution of Necessity.

Staff recommended adoption of the Resolution of Necessity authorizing the use of eminent domain.

Ms. Miller asked if there were any questions from the Board. There were none.

Mr. Wasser approached the Board and stated that letter had been submitted to the Board stating the objections to the Resolution of Necessity.

Ms. Bonebrake approached the Board and stated that High Speed Rail staff reviewed the letter and confirmed that they have done additional due diligence to ensure that the property was needed for the project.

Ms. Miller asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Mr. Davis and seconded by Ms. Miller to adopt staff recommendation. The motion passed unanimously through a 2-0 roll-call vote (Ms. Miller and Mr. Davis both voting aye).

OTHER BUSINESS:

NONE

REPORTABLES:

Ms. Lukenbill presented the reportable items and told the Board that she would be happy to answer any questions. There were no questions or comments from the Board.

NEXT MEETING:

Ms. Miller stated that the next Board meeting was scheduled for Friday, February 14, 2020 at 10am in Room 113 at the State Capitol.

Ms. Miller asked if there were any other questions or comments from the Board, or from the public. There were none.

The meeting was adjourned at 10:26 am.