



CALIFORNIA STATE  
**PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

April 1, 2008

**MINUTES**

**PRESENT:**

Ms. Anne Sheehan, Chief Deputy Director, Department of Finance  
Mr. Will Semmes, Deputy Director, Department of General Services  
Ms. Cindy McKim, Deputy Director, Department of Transportation  
Mr. Francisco Lujano, Deputy Treasurer, State Treasurer's Office

**STAFF PRESENT:**

Brian Dewey, Assistant Administrative Secretary  
Deborah Cregger, Staff Counsel  
Nathan Brady, Assistant Administrative Secretary  
Matt Schuller, Budget Analyst  
John Ponce, Budget Analyst  
Madelynn McClain, Budget Analyst  
John Silva, Budget Analyst  
Stacey Sappington, Secretary

**CALL TO ORDER AND ROLL CALL:**

Ms. Sheehan, Acting Chairperson of the SPWB and Chief Deputy Director of the Department of Finance, called the meeting to order at 10:04 a.m. Mr. Brian Dewey, Assistant Administrative Secretary for the SPWB, called the roll. A quorum was established.

The first order of business was approval of the Minutes from the March 14, 2008 meeting. Mr. Dewey reported that the minutes were in the process of being reviewed and would be ready for approval and adoption at the next meeting.

**BOND ITEMS:**

Mr. Dewey reported that there were four bond items for consideration this month that would authorize the sale of lease revenue bonds.

Mr. Dewey noted that Appendix A of the Preliminary Official Statement had been updated to reflect the incorporation of audited financial statements released by the State Controller's Office and that these revisions were highlighted on the handouts provided at the meeting.

Bond Item #1 authorizes the issuance of 2008 Series D lease revenue bonds for the financing of design and construction for the renovation of Office Building 10, located at 721 Capital Mall in Sacramento. The resolution approves and authorizes the execution of a Supplemental Indenture to the Master Indenture, Space Lease, Facility Space Lease, a Continuing Disclosure Agreement and the delivery of the Preliminary Official Statement and Official Statement. The maximum par value for this series will be no more than \$33 million and the maximum true interest cost will not exceed 6.75 percent.

The building is currently managed by the Department of General Services and it was clarified at the meeting that the building would be occupied by the Department of Rehabilitation.

**A motion was made by Mr. Semmes and Second by Ms. McKim to approve Bond Item #1 to adopt the Resolution.  
Bond Item #1 was approved by a 4-0 vote.**

Bond Item #2 authorizes the issuance of 2008 Series E lease revenue bonds to finance the construction and equipment for the California Community Colleges Advanced Technology Center located on the Victor Valley College campus. The resolution approves and authorizes the execution of a Supplemental Indenture to the Master Indenture, Space Lease, Facility Space Lease, a Continuing Disclosure Agreement and the delivery of the Preliminary Official Statement and Official Statement. The maximum par value for this series will be no more than \$25.5 million and the maximum true interest cost will not exceed 6.75 percent.

**A motion was made by Mr. Lujano and Second by Mr. Semmes to approve Bond Item #2 to adopt the Resolution.  
Bond Item #2 was approved by a 4-0 vote.**

Bond Item #3 requested authorization of the issuance of Series F lease revenue bonds for financing the construction of a replacement laboratory in Santa Rosa for the Department of Justice. The resolution approves and authorizes the execution of a Supplemental Indenture to the Master Indenture, Space Lease, Facility Space Lease, a Continuing Disclosure Agreement and the delivery of the Preliminary Official Statement and Official Statement. The maximum par value for this series will be no more than \$13.5 million and the maximum true interest cost will not exceed 6.75 percent.

**A motion was made by Ms. McKim and Second by Mr. Lujano to approve Bond Item #3 to adopt the Resolution.  
Bond Item #3 was approved by a 4-0 vote**

Bond Item #4 requested authorization of the issuance of Series G lease revenue bonds for financing the construction of the Pupil, Personnel Services Building on the Fremont campus of the California School for the Deaf for the Department of Education. The resolution approves and authorizes the execution of a Supplemental Indenture to the Master Indenture, Space Lease, Facility Space Lease, a Continuing Disclosure Agreement and the delivery of the Preliminary Official Statement and Official Statement. The maximum par value for this series will be no more than \$5 million and the maximum true interest cost will not exceed 6.75 percent.

**A motion was made by Mr. Lujano and Second by Mr. Semmes to approve Bond Item #4 to adopt the Resolution.  
Bond Item #4 was approved by a 4-0 vote**

**CONSENT CALENDAR:**

Mr. Dewey reported that there was one Consent Item for consideration this month to authorize an acquisition and to approve an augmentation and a scope change.

Mr. Dewey reported that there was one 20-day letter for the Consent Calendar:

The letter was for Department of General Services, California Highway Patrol, Oakhurst Area Office Replacement Facility—Madera County.

—The letter, noticing staff's intent to *authorize acquisition and to approve augmentation and scope change*, was sent to the appropriate Legislative Committees on March 6, 2008, and the notification period expired without comment.

There were no comments or questions from the Board or the public.

**A motion was made by Mr. Semmes and Second by Ms. McKim to approve the Consent Item.**

**The Consent Item was approved by a 3-0 vote.**

**ACTION ITEMS**

Mr. Dewey reported that there was one Action Item for consideration this month to approve an augmentation for the Department of Forestry and Fire Protection, Weaverville Forest Fire Station, Relocate Facility—Trinity County.

A 20-day letter was sent to the appropriate Legislative Committees on February 26, 2008, and the notification period expired without comment.

Mr. Dewey explained that the action was being presented to the Board because the augmentation was needed to fund project changes that had already been authorized and completed. These activities were funded out of funds that were set aside to close out the contract upon project completion, with the intention that an augmentation would be requested to restore the budget. Because this change was authorized by the Department of General Services Project Manager, rather than an action by the Board, failure to approve the augmentation would likely result in additional project costs, in the form of claims against the state. Mr. Dewey also stated that Mr. Rick Rusk from the Department of General Services was in attendance to answer any questions.

Ms. Sheehan requested Mr. Rusk to come before the Board and explain the circumstances of this request. Mr. Rusk explained that in this situation they had a setback due to an unexpected hill erosion issue that they had to address. He also discussed the ways that the Department of General Services has put procedures in place to ensure staff are aware of the processes of properly securing augmentations particularly with contingency funds. Mr. Rusk also noted that the process limits their ability to address some issues in a timely manner.

Ms. Sheehan expressed a willingness to look at the process and considering changes if needed and asked the Department to evaluate the process and report back if necessary.

**A motion was made by Ms. McKim and Second by Mr. Semmes to approve the Action Item.**

**The Action Item was approved by a 3-0 vote.**

**OTHER BUSINESS:**

Mr. Dewey reported that there was no Other Business.

**REPORTABLES:**

Mr. Dewey reported that there were no reportable items.

**NEXT MEETING:**

Mr. Dewey noted that the next meeting is set for Friday, April 11, 2008, at 10:00 a.m. at the State Capitol, in Room 113.

There were no comments or questions from the public before adjournment.

Ms. Sheehan adjourned the meeting at 10:20 a.m.