



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

October 21, 2008

MINUTES

PRESENT:

Mr. Tom Sheehy, Chief Deputy Director, Department of Finance
Mr. Will Semmes, Chief Deputy Director, Department of General Services
Ms. Cindy McKim, Deputy Director, Department of Transportation
Mr. Jim Lombard, Deputy Controller, State Controller's Office
Mr. Francisco Lujano, Director Securities Management, State Treasurer's Office

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Deborah Cregger, Staff Counsel
Stephen Benson, Budget Analyst
Aurelia Bethea, Executive Secretary

CALL TO ORDER AND ROLL CALL:

Mr. Tom Sheehy, Chairperson of the SPWB and Chief Deputy Director of the Department of Finance, called the meeting to order at 10:00 a.m. Mr. Greg Rogers, Administrative Secretary for the SPWB, called the roll. A quorum was established.

A member of the Legislature, Mr. Mervyn Dymally, addressed the Board regarding a UCD project approved over a year ago by the board. He requested the Board take action on the Charles Drew Medical School, by placing it on the next months Agenda, in order to ensure the project receives the matching funds provided by the Federal Government.

Mr. Rogers gave an update on the project activity, issues being worked out, as well as a possible time line for action on the project.

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

MINUTES:

The first order of business was approval and adoption of the Minutes from October 10, 2008.

Mr. Rogers stated that Minutes from the prior meeting are in the process of being reviewed and should be ready for approval and adoption at the next regularly scheduled meeting.

BOND ITEMS:

Mr. Rogers reported that there were a total of 3 bond items relating to the sale of lease revenue bonds on the agenda.

Bond Item #1: If the resolution for this bond item is adopted, it would authorize the sale of the State Public Works Board Lease Revenue Bonds—Department of Developmental Services, 2008 Series H, Porterville Developmental Center Housing Expansion and Recreation Complex.

Adoption of the resolution for Bond Item #1 would also approve the form of and authorize the execution of: a Supplemental Indenture to the Board's Master Indenture, a Site Lease, a Facility Lease, a Continuing Disclosure Agreement; and will authorize the delivery of a Preliminary Official Statement and an Official Statement as well as other related actions in connection with the issuance, sale, and delivery of said revenue bonds. The Board members were advised that forms of the bond documents were in their binders.

The resolution provides that the maximum par value for this series will be no more than \$111 million and the maximum true interest cost will not exceed 8.7 percent.

Staff recommends adoption of the Resolution and approval of Bond Item #1.

Mr. Lombard asked for more information about the market, to which Mr. Rogers provided response.

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

A motion was made by Mr. Lujano and Second by Mr. Semmes to approve Bond Item #1. Bond Item#1 was approved by a 5-0 vote.

Bond Item #2: If approved, the Resolution for this bond item will authorize the sale of the State Public Works Board Lease Revenue Bonds—Trustees of the California State University, 2008 Series I, Monterey Bay Campus Library.

In addition, the Resolution will approve the form of and authorize the execution of: a Supplemental Indenture to the Board's Master Indenture, a Site Lease, a Facility Lease, a Continuing Disclosure Agreement; and will authorize the delivery of a Preliminary Official Statement and an Official Statement as well as other related actions in connection with the issuance, sale and delivery of said revenue bonds. The Board members were advised that forms of the documents they are being asked to approve are in their binders.

The resolution provides the maximum par value for this series will be no more than \$63 million and the maximum true interest cost will not exceed 8.7 percent.

Staff recommends adoption of the Resolution and approval of Bond Item #2.

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

A motion was made by Mr. Lujano and Second by Mr. Lombard to approve Bond Item #2. Bond Item#2 was approved by a 5-0 vote.

Bond Item #3: If adopted, would authorize a resolution for the sale of the State Public Works Board Lease Revenue Bonds—Department of Mental Health, 2008 Series J, Various Mental Health Projects. The projects being financed are the electrical generator plant upgrade at Patton State Hospital and a new main kitchen project at Metropolitan State Hospital.

The resolution for Bond Item #3 will also approve the form of and authorize the execution of: a Supplemental Indenture to the Board's Master Indenture, a Site Lease for each of the projects, a Facility Lease for each of the project, a Continuing Disclosure Agreement; and will authorize the delivery of a Preliminary Official Statement and an Official Statement as well as other related actions in connection with the issuance, sale and delivery of said revenue bonds. Forms of the documents were provided in each of the board members binders.

The resolution provides the maximum par value for this series will be no more than \$48 million and the maximum true interest cost will not exceed 8.7 percent.

Staff recommends approval and adoption of the Resolution for Bond Item #3.

A motion was made by Mr. Semmes and Second by Mr. Lombard to approve Bond Item #3. Bond Item#3 was approved by a 5-0 vote.

CONSENT CALENDAR:

There was one item on the Consent Calendar for this agenda. Department of Corrections and Rehabilitation - Folsom State Prison — Renovate Branch Circuit Wiring, Building No. 5 - Represa, Sacramento County
The Item was a request to approve preliminary plans for this project.

There was no 20-day letter for this Item.

Staff recommended approval of the Consent Calendar consisting of Consent Item 1.

Mr. Sheehy asked if this Item was approved in the Budget Act of 2008. Finance staff informed him that it was not and had been approved in the Budget Act of 1999.

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

A motion was made by Mr. Semmes and Second by Ms. McKim to approve the Consent Item 1. Consent Item 1 was approved by a 3-0 vote.

There were no Action items, Other Business or Reportables.

NEXT MEETING:

The next regular meeting is scheduled for **November 14, 2008, at 10:00 am, at the State Capitol, in Room 113.**

Mr. Sheehy concluded the meeting at 10:14 a.m.