



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
October 10, 2012

MINUTES

PRESENT:

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office
Mr. Francisco Lujano, Director, Securities Management, State Treasurer's Office

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Brian Dewey, Assistant Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Stephen Benson, Assistant Administrative Secretary
Alessandra Brown, Budget Analyst
Andy Ruppenstein, Budget Analyst
Sally Lukenbill, Budget Analyst
Natalie Daniel, Budget Analyst
Shryl Thomas, Budget Analyst
Manerva Cole, Executive Secretary
Deborah Cregger, Legal Counsel
Shelly Renner, Legal Counsel

CALL TO ORDER AND ROLL CALL:

Mr. Pedro Reyes, Chairperson of the Board and Chief Deputy Director of the Department of Finance called the meeting to order at 9:30 a.m. Ms. Manerva Cole, Executive Secretary for the Board, called the roll. A quorum was established.

The first order of business was approval and adoption of the minutes from the September 5, 2012 and September 11, 2012 meetings. Mr. Greg Rogers, Administrative Secretary for the Board, reported that staff had reviewed the minutes and recommend approval and adoption of the minutes.

A motion was made by Mr. Almanza and seconded by Mr. Lujano to approve and adopt the minutes from the September 5, 2012 and September 11, 2012 meetings. The minutes were approved by a 3-0 vote.

BOND ITEMS:

Mr. Reyes stated there were five bond items on this month's agenda. Mr. Rogers noted the 10-Day Notice included five bond items. The first four bond items were related to the Board's upcoming second fall bond sale; however, Bond Item #5 relating to interim financing for various University of California Projects was pulled and would be considered at a subsequent meeting. Mr. Brian Dewey, Assistant Administrative Secretary for the Board, presented the four bond items related to the second bond sale this fall.

Mr. Dewey stated the four bond items, if approved, would be priced the following week and close by the end of October 2012. The total bond issuance was estimated to be \$600.2 million and the proceeds would fund three Judicial Council projects, one Department of Toxic Substances Control project, one Department of Corrections and Rehabilitation project, and three Department of Education projects, and would refund one Department of Corrections and Rehabilitation project and one Department of Public Health project.

Additionally, the Board was asked to approve and adopt four Resolutions, one for each series of bonds to be issued. Approval and adoption of the Resolutions would authorize the sale and issuance of the specified series of bonds of the State Public Works Board for the specified projects. Additionally, the resolutions would approve the form of and authorize the execution of:

1. Supplemental Indentures numbered 4, 112, 113, and 114 to the Board's Master Indenture;
2. Escrow Agreements;
3. Site Leases, Facility Leases, Termination of Site Lease and Facility Agreements;
4. Project Delivery Agreements;
5. Continuing Disclosure Agreements;
6. a Bond Purchase Agreement;
7. a Preliminary Official Statement and an Official Statement; and
8. other related actions in connection with the issuance, sale and delivery of said revenue bonds.

BOND ITEM #1: Mr. Dewey stated, if approved, would authorize the State Public Works Board 2012 Series G Bonds to fund various Capital Projects, including the Judicial Council's New North Butte County Courthouse in Butte County, the New Woodland Courthouse in Yolo County, and the Renovation to the Old Solano Courthouse in Solano County; the Department of Toxic Substance Control's Stringfellow Pre-Treatment Plant in Riverside County; and the Department of Corrections and Rehabilitation's DeWitt Nelson Correctional Annex in San Joaquin County.

Approval and adoption of the Resolution for Bond Item #1 would authorize the issuance and sale of the State Public Works Board 2012 Series G Bonds for the projects and would approve the form of and authorize the execution of the 112th Supplemental Indenture to the Board's Master Indenture, as well as the other forms previously mentioned. The estimated PAR value of the 2012 Series G Bonds was \$458.9 million, with a not to exceed PAR of \$574.5 million and a not to exceed true interest cost of 5.24 percent.

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

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

Ms. Cole called a roll to approve Bond Item #1:

AYES

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance

Mr. Esteban Almanza, Chief Deputy Director, Department of General Services

Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office

Mr. Francisco Lujano, Director, Securities Management, State Treasurer's Office

NOS

None

Bond Item #1 was approved by a 4-0 vote.

BOND ITEM #2: Mr. Dewey stated if approved, would authorize the State Public Works Board 2012 Series H Bonds to fund three Department of Education projects in Riverside County. Specifically, the Career and Technical Education Complex and Service Yard Project; the Kitchen and Dining Hall Renovation Project; and the Academic Support Cores, Bus Loop and Renovation Project.

Approval and adoption of the Resolution for Bond Item #2 would authorize the issuance and sale of the State Public Works Board 2012 Series H Bonds for the projects and would approve the form of and authorize the execution of the 113th Supplemental Indenture, as well as the other forms previously mentioned. The estimated PAR value of the 2012 Series H Bonds was \$53.5 million, with a not to exceed PAR of \$67.3 million and a not to exceed true interest cost of 5.25 percent.

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

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

Ms. Cole called a roll to approve Bond Item #2:

AYES

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance

Mr. Esteban Almanza, Chief Deputy Director, Department of General Services

Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office

Mr. Francisco Lujano, Director, Securities Management, State Treasurer's Office

NOS

None

Bond Item #2 was approved by a 4-0 vote.

BOND ITEM #3: Mr. Dewey stated if approved, would authorize the State Public Works Board 2012 Series I Bonds to refund the Department of Corrections and Rehabilitation's California State Prison – Lassen County, Susanville (High Desert State Prison) in Lassen County.

Approval and adoption of the Resolution for Bond Item #3 would authorize the issuance and sale of the State Public Works Board 2012 Series I Bonds for the facility and would approve the form of and authorize the execution of the Fourth Supplemental Indenture to the Board's Master Indenture, as well as the other forms previously mentioned. The estimated PAR value of the 2012 Series I Bonds was \$67.2 million, with a not to exceed PAR of \$84.3 million and a not to exceed true interest cost of 3.13 percent.

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

Mr. Lombard inquired about the estimated savings as a result of the refunding. Mr. Dewey answered savings of the 2012 Series I Bonds was approximately \$4.8 million and the savings of the 2012 Series J Bonds was approximately \$1.8 million, a total of 6.7 percent of present value savings.

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

Ms. Cole called a roll to approve Bond Item #3:

AYES

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance

Mr. Esteban Almanza, Chief Deputy Director, Department of General Services

Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office

Mr. Francisco Lujano, Director, Securities Management, State Treasurer's Office

NOS

None

Bond Item #3 was approved by a 4-0 vote.

BOND ITEM #4: If approved, would authorize the State Public Works Board 2012 Series J Bonds to refund the Department of Public Health's Richmond Health Laboratory in Contra Costa County.

Approval and adoption of the Resolution for Bond Item #4 would authorize the issuance and sale of the State Public Works Board 2012 Series J Bonds for the facility and would approve the form of and authorize the execution of the 114th Supplemental Indenture to the Board's Master Indenture, as well as the other forms previously mentioned. The estimated PAR value of the 2012 Series J Bonds was \$20.6 million, with a not to exceed PAR of \$24.3 million and a not to exceed true interest cost of 2.57 percent.

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

Ms. Cole called a roll to approve Bond Item #4:

AYES

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance

Mr. Esteban Almanza, Chief Deputy Director, Department of General Services

Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office

Mr. Francisco Lujano, Director, Securities Management, State Treasurer's Office

NOS

None

Bond Item #4 was approved by a 4-0 vote.

CONSENT ITEMS:

Mr. Rogers informed the Board there were 11 Consent Items; however, Consent Item #6 was being pulled from the consent calendar and would be considered at a subsequent meeting. . In summary, the revised consent calendar consisted of the following requested actions:

- 1 request to recognize a scope change, Item 1
- 3 requests to authorize a site selection, Items 2, 3, and 4
- 2 requests to recognize revised project costs, Items 5 and 10
- 3 requests to establish scope, cost, and schedule, Items 7, 8, and 9
- 1 request to consent to the following:
 - a Ground Lease from the County of San Luis Obispo to the Department of Corrections and Rehabilitation;
 - an Easement Agreement for Grants of Access, Utilities, and Repairs from the County of San Luis Obispo to the CDCR; and
 - An Easement Agreement for Utility Transmission Facilities between the County of San Luis Obispo and the State of California, Item 11

There was 1 Legislative notification letter associated with Content Item 1 for a scope change. Staff received no concerns from the Joint Legislative Budget Committee regarding the proposed scope change letter.

Staff recommended approval of Consent Items 1 through 5 and 7 through 11.

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

A motion was made by Mr. Almanza and seconded by Mr. Reyes to approve Consent Items 1 through 5 and 7 through 11. The Consent Items were approved by a 2-0 vote.

OTHER BUSINESS:

There were no items under Other Business.

REPORTABLES

Mr. Rogers reported there were two Reportables for this month:

- Department of General Services, Sacramento County:
 - Approved an increase within appropriation, in the amount of \$2,514,000
- California Tahoe Conservancy, Placer County:
 - Approved an increase within appropriation, in the amount of \$185,000

NEXT MEETING:

Mr. Reyes stated the next State Public Works Board meeting is scheduled for **Tuesday, November 6, 2012, at 10:00 a.m., at the State Capitol, in Room 113.**

The meeting was adjourned at 9:45 a.m.