



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
January 19, 2012

MINUTES

PRESENT:

Ms. Jennifer Rockwell, Chief Counsel, 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
Theresa Gunn, Assistant Administrative Secretary
Brian Dewey, Assistant Administrative Secretary
Matt Paulin, Principal Budget Analyst
Shryl Thomas, Budget Analyst
Natalie Daniel, Budget Analyst
Randy Katz, Budget Analyst
Stephen Benson, Budget Analyst
Stan Hiuga, Budget Analyst
Maria Lo-Aoyama, Budget Analyst
Deborah Cregger, Staff Counsel
Shelly Renner, Staff Counsel

CALL TO ORDER AND ROLL CALL:

Ms. Jennifer Rockwell, Chairperson of the Board and Chief Counsel of the Department of Finance, called the meeting to order at 10:00 a.m. Mr. Greg Rogers, Administrative Secretary for the Board, called the roll. A quorum was established.

ACTION ITEMS:

Although the Action Items were pulled from the agenda, Ms. Rockwell welcomed Senator Noreen Evans, Legislative Advisor to the Board, to address the Board with her concerns related to Action Item #2.

ACTION ITEM 2: Action Item #2, Department of Parks and Recreation, was to approve concessions for 11 various state park units, subject to closure, through a Request for Proposal process.

Senator Evans mentioned that six of the 11 state parks being considered by the Board are within her jurisdiction. She stated that in the event the state decides to move forward with granting private concessions, it would need to be done in a very transparent and public fashion. In the event the Board decides to proceed in the consideration of Action Item #2, Senator Evans requested the Board to consider (1) not turning entire parks over to private concessions, and (2) requesting a complete economic study of the affects of turning entire parks over to concessions as well as park closures.

Senator Evans was thankful the Action Items were removed from the Board agenda and appreciates for the opportunity to address these concerns. Ms. Rockwell thanked Senator Evans for her comments and asked if a representative from the Department of Parks and Recreation would like to comment.

Mr. Mike Harris, Acting Chief Deputy Director, Department of Parks and Recreation (Parks), stated that Parks is committed to an open public transparent process and noted Parks is faced with a situation where they are unable to operate the state parks due to budget reductions. Mr. Harris stated that Parks is looking for partners of all stripes (e.g. for-profit, non-profit, and donations of any sort) to help Parks continue to deliver park services to the public. Mr. Harris explained that the law requires approval prior to advertising for concessions, which is why the Action Items were being presented to the Board. He ensured that no decision has been made and apologized for any confusion, and stated that several workshops that allow for various aspects of partnerships have been created throughout the state. Mr. Harris thanked the Board and Senator Evans and stated that Parks looks forward to working with all parties involved.

Mr. Brian Dewey clarified that the Action Items #1 and #2 were included in the original agenda but were pulled to allow Parks and Board staff time to address concerns. Mr. Dewey reported the Action Items will be moved to a subsequent Board meeting following a 10-day public notice and ensured the legislative advisors will receive proper notices.

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

APPROVAL OF THE DECEMBER 9, 2011 MEETING MINUTES

The next order of business was approval and adoption of the minutes from the December 9, 2011 meeting. Mr. Rogers reported staff had reviewed the minutes and recommend approval and adoption of the minutes.

A motion was made by Mr. Lombard and seconded by Mr. Almanza to approve and adopt the minutes. The minutes were approved by a 4-0 vote.

BOND ITEMS:

BOND ITEM 1: University of California, Berkeley Campus, Helios Energy Research Facility (Solar Energy Research Center), Alameda County.

Ms. Theresa Gunn gave a brief summary of Bond Item #1. Ms. Gunn explained that a Project Delivery and Reimbursement Agreement with the University of California (Regents) would allow Regents to provide the up-front cash through interim financing necessary to enable the Solar Energy Research Center facility to start construction now to take advantage of the favorable construction market and retain some federal funding that will be lost if the project doesn't begin construction soon. Further, through the Project Delivery and Reimbursement Agreement, the Board agrees to authorize the issuance of lease revenue bonds to reimburse the Regents for project costs and the costs of interim financing as allowable by law.

Staff recommended approval of Bond Item 1.

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

A motion was made by Mr. Lujano and seconded by Mr. Lombard to approve Bond Item 1. The Bond Item was approved by a 4-0 vote.

CONSENT ITEMS:

Mr. Rogers informed the Board there were three Consent Items. In summary, these items were proposed:

- 1 request to consent to an Agreement and Grant of Easement from the state to the Placer County Water Agency that affects the real property encumbered by the Board's lease revenue bonds [Item 1]
- 1 request to recognize a scope change and revised project costs [Item 2]
- 1 request to recognize revised project costs [Item 3]

Staff recommended approval of Consent Items 1 through 3.

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

A motion was made by Mr. Almanza and seconded by Ms. Rockwell to approve Consent Calendar Items 1 through 3. The Consent Items were approved by a 2-0 vote.

OTHER BUSINESS

Mr. Greg Rogers stated that there was one item under Other Business.

Mr. Rogers reported that the item under Other Business was to grant a conflict of interest waiver to allow Stradling Yocca Carlson and Rauth (SYCR) tax counsel to assist the Board to respond to a request from the Internal Revenue Service (IRS) concerning tax compliance for the Board's 2003 Series C Bonds because SYCR served as co-bond counsel for the issuance of the 2003 Series C Bonds. Mr. Rogers stated that the IRS selected the Board's 2003 Series C Bonds for a limited scope correspondence examination and sent the Board an Information Document Request on December 12, 2011. Staff had no reason to believe this inquiry would go beyond the Information Document Request but will inform the Board if the IRS expands its inquiry.

Staff recommended approval of granting the waiver.

Mr. Almanza asked if the waiver was a federal form. Ms. Rockwell explained it was a potential conflict waiver. Mr. Almanza inquired whether or not it was state practice to use the same company. Mr. Rogers stated that the Board does not have a policy as this is a rare issue, and was not aware of a state policy, and added there are pros and cons to using the same company and staff does not believe a conflict exists.

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

A motion was made by Mr. Almanza and seconded by Ms. Rockwell to approve the item. The motion was approved by a 2-0 vote.

REPORTABLES:

Mr. Rogers reported that there were two reportable items for this month:

- 1 approved augmentation:
 - California State University, San Diego County, in the amount of \$255,000
- 1 approved reversion of bid savings and approved increase within appropriation:
 - Department of Veterans Affairs, Shasta County, in the amount of \$161,000

NEXT MEETING:

Mr. Rogers stated that the next Public Works Board meeting is scheduled for **Friday, February 10, 2012, at 10:00 a.m., at the State Capitol, in Room 113.** However, a special meeting may be scheduled on or around January 31, 2012 to discuss the two action items that were pulled from this meeting's agenda.

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

The meeting was adjourned at 10:20 a.m.