



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
September 11, 2012

MINUTES

PRESENT:

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
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
Stephen Benson, Assistant Administrative Secretary
Alessandra Brown, Budget Analyst

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 10:00 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 August 10, 2012 meeting. Mr. Rogers reported that staff had reviewed the minutes and recommend approval and adoption of the minutes.

A motion was made by Mr. Lujano and seconded by Mr. Lombard to approve and adopt the minutes from the August 10, 2012 meeting. The minutes were approved by a 5-0 vote.

Mr. Reyes stated that there was one Bond Item on the agenda.

BOND ITEMS:

Mr. Rogers presented the Bond Item to the Board and informed the Board that Bond Item 1 was for the Department of Corrections and Rehabilitation's Three Level II Dorm Facilities project at Mule Creek State Prison located in Amador County and Richard J. Donovan Correctional Facility located in d San Diego County. The project consisted of the siting, design, and construction of three new Level II dorm facilities. The California Department of Correction and Rehabilitation (CDCR) identified Mule Creek State Prison (MCSP) and Richard J. Donovan Correctional Facility (RJD) as the proposed sites for the new Level II dorm facilities. The CDCR proposed to construct two new semi-autonomous Level II dorm facilities adjacent to MCSP and a single new semi-autonomous Level II dorm facility adjacent to RJD. Each new Level II dorm facility would provide flexible housing for inmate subpopulations such as inmates with disabilities, intermediate medical needs, or mental health treatment needs. Moreover, each facility will house approximately 800 inmates and provide all necessary support, program and health care facilities for those inmates.

If approved, the requested action would adopt a Resolution authorizing actions to be taken to provide for interim financing, the sale of lease revenue bonds, and related actions in connection with the authorization, issuance, sale and delivery of the said revenue bonds.

The action included approving the form of and authorizing the execution of a Project Delivery Agreement between CDCR and the Board. The total amount of state financing authorized for the project was \$810 million. This item would authorize staff to seek interim financing for the project.

Staff recommended approval of the Bond Item and adoption of the Resolution.

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

Ms. Cole called the roll to approve the Bond Item:

AYES

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

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

Mr. Malcolm Dougherty, Director, Department of Transportation

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

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

NOS

None

The Bond Item was approved by a 5-0 vote.

ANNOUNCEMENT

Mr. Rogers introduced and welcomed Alessandra Brown to the Board. Ms. Brown is a new Finance Budget Analyst who will be working on the CDCR capital outlay assignment.

CONSENT ITEMS:

Mr. Rogers informed the Board there were 9 Consent Items, and in summary consisted of the following requested actions:

- 1 request to authorize site locations, Item 1
- 1 request to recognize a scope change and revised project costs, Item 2
- 4 requests to establish scope, cost, and schedule, Items 3, 4, 5 and 7
- 1 request to recognize a scope change and revised project costs, and to approve preliminary plans and the use of Inmate/Ward Labor, Item 6
- 1 request to approve a scope change, Item 8
- 1 request to approve preliminary plans, Item 9

There were 3 Legislative notification letters associated with Content Items 2, 6 and 8 for scope changes. Staff received no adverse comments from the Joint Legislative Budget Committee regarding these letters.

Staff recommended approval of Consent Items 1 through 9.

Mr. Reyes asked staff to consider implementing new terminology for Consent Item #2 under Funding and Cost Verification because costs originally approved for a project should not be affected by a reduction in the scope, when the reduction in scope clearly appears to be within cost. Mr. Rogers agreed with the cost aspect of Mr. Reyes' comment and ensured the chair in the future if a project is under cost it would be reported on the Agenda the project would be within cost. However, Mr. Rogers pointed out if the authorized scope of a project was reduced enough it would be considered a scope change regardless of any cost savings. The Board is responsible for ensuring a project, as authorized by the Legislature, remains within the authorized scope, which could be an increase in the project size or a reduction in the size project.

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

A motion was made by Mr. Dougherty and seconded by Mr. Almanza to approve Consent Items 1 through 9. The Consent Items were approved by a 3-0 vote.

OTHER BUSINESS:

Mr. Rogers stated the item under Other Business would be deferred to the November 2012 Board meeting.

REPORTABLES

There were no Reportables for this month.

NEXT MEETING:

Mr. Reyes stated the next State Public Works Board meeting is scheduled for **Wednesday, October 10, 2012, at 9:30 a.m., at the State Capitol, in Room 113.** The November 9, 2012 meeting will be rescheduled due to scheduling conflicts.

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