



CALIFORNIA STATE  
**PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD

March 14, 2014

**MINUTES**

**PRESENT:**

Ms. Eraina Ortega, Chief Deputy Director, 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. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

**CALL TO ORDER AND ROLL CALL:**

Ms. Eraina Ortega, Chairperson of the Board called the meeting to order at 10:00 a.m.  
Ms. Aurelia Bethea, Executive Assistant for the Board, called the roll. A quorum was established.

**MINUTES:**

The first order of business was approval and adoption of the minutes from the February 14, 2014 meeting. Mr. Rogers reported that staff had reviewed the minutes and recommended approval and adoption of the minutes.

**A motion was made by Mr. Almanza and seconded by Mr. Dougherty to approve and adopt the minutes from the February 14, 2014 meeting. The minutes were approved by a 3-0 vote.**

**BOND ITEMS:**

The next order of business was the Bond item. Mr. Stephen Benson, Deputy Director of the Board, presented the bond item to the Board.

**BOND ITEM #1:** Mr. Benson reported Bond Item #1 was associated with the Board's March bond sale that would fund two California Department of Corrections and Rehabilitation projects, the Mule Creek State Prison: Medium Security Infill Complex, located in Amador County, and the Richard J. Donovan Correctional Facility: Medium Security Infill Complex, located in San Diego County.

The Resolution, if approved and adopted, would authorize the issuance and sale of the State Public Works Board 2014 Series A, Various Correctional Facilities, Tax-Exempt Bonds for the two projects. Additionally, the Resolution would approve the forms of and authorize the execution of the 123<sup>rd</sup> Supplemental Indentures to the Board's Master Indenture; Site Leases and Facility Leases; a Continuing Disclosure Agreement; and a Bond Purchase Contract. The Resolution would also authorize the delivery of a Preliminary Official Statement and an Official Statement, and other related actions in connection with the issuance, sale and delivery of the revenue bonds.

If approved the bonds would be priced March 25th and 26th, and close on April 3rd. The total estimated PAR value of the 2014 Series A bonds to be issued is \$789.2 million, with a not to exceed PAR of \$972.9 million and a not to exceed TIC of 5.475%.

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

Mr. Lombard asked for an explanation of the advantages of design build process. Mr. Benson informed the board that design build allows for a faster delivery project and could result in a lower project cost as the same entity does design and construction allowing less opportunity for design error. Mr. Lombard also inquired about the capacity added to the corrections project, to which Mr. Benson replied approximately 2300.

There were no further questions from the Board or the Public.

**A motion was made by Mr. Lombard and seconded by Mr. Dougherty to approve Bond Item #2.**

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, 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. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

**Bond Item #1 was approved by a 5-0 vote.**

The Chair thanked the Controller and Mr. Fowler for attending today's meeting.

**CONSENT ITEMS:**

Mr. Rogers informed the Board there were 11 Consent Items. In summary, the consent calendar consisted of the following requested actions:

- 1 request to approve preliminary plans [Items 1]
- 2 requests to approve acquisition [Items 2 and 3]
- 1 request to recognize a scope change, recognize revised project costs, approve preliminary plans, and approve the use of inmate ward labor [Consent Item 4]
- 2 requests to recognize a scope change, approve the use of inmate ward labor, and recognizing revised project costs [Items 5 and 6]
- 2 requests to establish scope, cost, and schedule [Item 7 and 8]
- 1 request to approve a scope change, approve preliminary plans, and recognize revised project costs [Item 9]
- 1 request to consent to an easement deed and recognize revised project costs [Item 10]
- 1 request to approve an option to purchase agreement [Item 11]

**Staff recommended approval of the Consent Calendar consisting of Consent Items 1 through 11.**

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

**A motion was made by Mr. Dougherty and seconded by Mr. Almanza to approve Consent Items 1 through 11. The Consent Items were approved by a 3-0 vote.**

**ACTION ITEMS:**

**Action Item #1 was pulled; therefore Action Item #2 was considered.**

Mr. Rogers informed the Board property #4 of this item, 1950 G Street in the City of Fresno, has been pulled from today's agenda in order to address some concerns that have been raised.

Therefore, if approved, Action Item #2 would approve the adoption of Resolutions of Necessity authorizing the use of eminent domain to acquire properties 1 through 3 and 5 through 9 as identified on our meeting notice and agenda. .

All of these properties reflected in the Resolutions are identified in the Environmental Impact Report as being necessary for the construction of high speed train tracks or grade separations. Staff received correspondence from the property owner related to Item #5, 808 G Street in the City of Fresno, who had first requested the meeting to be moved to Fresno. When staff responded that we could not move the meeting he communicated that he objected to the Resolution of Necessity, but provided no basis for the objection.

Joann Georgallis, counsel representing the Board on these matters presented the Resolution of Necessities to the Board. Mr. Daugherty asked if the process allows the property owners to appear and object and have any property owners rejected or made this request. Ms. Georgallis stated the owners are informed and may appear and that there has only been one objection with the property owner requesting moving the board meeting to Fresno.

**Staff recommended adoption of Resolutions of Necessity authorizing the use of eminent domain to acquire properties in the City of Fresno identified in items 1 through 3, and 5 through 9 on the Meeting Notice.**

Ms. Ortega asked if any property owners were present and had any questions or comments. No individuals addressed the Board.

Ms. Ortega asked if any members of the public had any questions or comments. Mr. Frank Olivera with Citizens for High Speed Rail Accountability spoke out against going forward with this action and the project.

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

**A motion was made by Mr. Almanza and seconded by Mr. Dougherty to approve Action Item #2. Action Item # 2 was approved by a 3-0 vote.**

**Action Item # 2 was approved by a 3-0 vote.**

### **REPORTABLES:**

Mr. Rogers informed the Board there were three Reportables this month:

California Highway Patrol, Oakhurst Area Office Replacement Facility, Madera County:

- Approve an augmentation, \$360,000

Department of Parks and Recreation, Donner Memorial State Park New Visitor Center, Nevada County:

- Approved an augmentation, \$340,000

Department of Corrections and Rehabilitation, Jail Project, Stanislaus County:

- Consent to a Ground Lease Easement Agreement, and Right of Entry

### **NEXT MEETING:**

Mr. Rogers stated there will be two State Public Works Board meetings in April. The first is scheduled for **Friday, April 1, 2014, at 11:30 a.m., in the State Capitol Room 2040**, and the regularly scheduled meeting for **Friday, April 11, 2014, at 10 a.m. in the State Capitol Room 112.**

Ms. Ortega asked if there were any comments or questions from the Board or the public. There were none.

The meeting was adjourned at 10:18 a.m.