



STATE PUBLIC WORKS BOARD  
August 14, 2020

**APPROVED MINUTES****PRESENT:**

Ms. Gayle Miller, Chief Deputy Director, Department of Finance  
Mr. Jim Davis, Chief Deputy Director, Department of Transportation  
Mr. Daniel Kim, Director, Department of General Services  
Jacqueline Wong-Hernandez, Deputy Controller, State Controller  
Julie Giordano, Assistant Director, Public Finance Division, State Treasurer's Office

**CALL TO ORDER AND ROLL CALL:**

Ms. Gayle Miller, Chairperson of the Board, called the meeting to order at 10:06 a.m.  
Ms. Kat Lee, serving as Secretary to the Board, called the roll. A quorum was established.

**BOND ITEMS:**

The first order of business was to consider one Bond Item.

- Bond Item 1: Ms. Koreen van Ravenhorst, Deputy Director for the Board, indicated that if approved, Bond Item 1 would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution and delivery of a Project Delivery Agreement, and other related actions for the construction of the New Sacramento Courthouse, Sacramento County, for the Judicial Council of California.

Staff recommended adoption of the resolution.

Ms. Miller asked if there were any questions or comments from the Board, or from the public.

Mr. Dan Kim asked whether there were additional project costs due to the increase in square footage.

Ms. van Ravenhorst addressed Mr. Kim's question and explained that the construction appropriation didn't increase, but there were augmentations during the working drawings phase. However, the changes were made before the construction appropriation was obtained through the Budget Act. Ms. van Ravenhorst confirmed that the construction appropriation had the correct dollar amount when it was first appropriated.

**A motion was made by Ms. Wong-Hernandez and seconded by Mr. Kim to adopt the resolution. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, Mr. Kim, Mr. Davis, Ms. Wong-Hernandez, and Ms. Giordano all voting aye).**

Ms. Miller thanked Ms. Wong-Hernandez and Ms. Giordano for their participation and excused them from the meeting.

**MINUTES:**

The next order of business was to approve the minutes from the July 13, 2020 Board meeting.

Ms. van Ravenhorst stated that staff had prepared and reviewed the minutes from the July 13, 2020 Board meeting and recommended approval of the meeting minutes.

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

**A motion was made by Mr. Davis and seconded by Mr. Kim to approve the minutes from the July 13, 2020 Board meeting. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Kim, and Mr. Davis all voting aye).**

**CONSENT ITEMS:**

The second order of business was to consider the Consent Calendar, which consisted of two items. Ms. van Ravenhorst presented the following:

- Consent Item 1: Consider approving an augmentation of \$11.4 million from the Public Buildings Construction Fund for the Heating, Ventilation and Air Conditioning System Project at Ironwood State Prison, Riverside County, for the Department of Corrections and Rehabilitation.
- Consent Item 2: Consider recognizing revised project costs for one Health Care Facilities Improvement Program project, and approving allocation of \$3.1 million authority to one Program project at California Men's Colony, San Luis Obispo County, for the Department of Corrections and Rehabilitation.

Ms. van Ravenhorst noted that both items required a 20-day notice to the Joint Legislative Budget Committees and the fiscal committees in each house, and the review period for these actions had expired without adverse comment.

Ms. van Ravenhorst noted that while the Board received no adverse comment related to Consent Item 2, the Legislative Budget Committee sent a letter to the Board expressing concerns of the timing of the augmentation request in Consent Item 1, noting the Legislature's desire that such requests be considered in the annual budget deliberation process.

Staff recommended approval of Consent Items 1 and 2.

Ms. Miller asked if there were any questions from the Board, or from the public.

Mr. Davis wanted to reiterate his concerns with the number of errors and omissions that were coming from Department of Corrections and Rehabilitation (CDCR), noting that Mr. Borg made a commitment to the Board previously to address issues of cost and quality control and to institute changes to avoid this in the future.

Mr. Keith Beland, Associate Director, Project Management Branch at CDCR, acknowledged Mr. Davis' comment and noted that they are taking proactive steps as addressed by Director Borg to the Board on February 14, 2020 and in a follow-up memo on March 6, 2020, to mitigate cost increases in future projects.

Mr. Kim wanted clarification on whether the contingency built into the original budget was spent before the request for additional funding was made.

Mr. Beland explained that the contingency was not fully exhausted, but based on existing burn rates and proposed change orders, additional contingency funds would be needed.

Mr. Kim posed another question, asking if CDCR would use the Design-Build process instead of Design-Bid-Build as this procurement method could reduce the number of errors and omissions.

Mr. Beland said CDCR has Design-Build authority and have used it for some new facilities, and are looking into using this on other projects. He explained the current project is a renovation and not a good fit for Design-Build, but they are exploring it for other projects.

Mr. Davis, following up on Director Kim's question, saying he understood Design-Build was not a good fit for renovation, but wanted to know if they looked at contract-manager-general-contractor (CMCG) used by Caltrans, to manage risk and get a contractor on board in the design phase to work through some of these issues.

Mr. Beland said he was familiar with CMCG, and was not sure if they have authority, but will take this back to Director Borg.

**A motion was made by Ms. Miller and seconded by Mr. Kim to approve Consent Items 2 and 2. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Davis, and Mr. Kim all voting aye).**

#### **ACTION ITEMS:**

The next order of business was to consider one action item:

- Action item 1: If approved, the action would adopt six Resolutions of Necessity (RONs) authorizing the use of eminent domain to acquire various properties for the High Speed Rail Authority. The request to use eminent domain for the Ericksen property, Property 4, was withdrawn.

Ms. van Ravenhorst stated that the parcels that were subject of the action were within the right of way for the Initial Operating Segment, Section 1 of the High Speed Rail Train System, and that on July 24, 2020, Notices of Intent to adopt a Resolution of Necessity

were mailed to the property owners. The notice was sent in accordance with the Code of Civil Procedure section 1245.235.

Ms. van Ravenhorst noted that the members' briefing packages contained the RONS, maps, an objection letter and a request to appear from counsel representing property #6, the River Ranch Farms property in Kings County, High Speed Rail's response to that objection, and an aerial map of the property.

Board counsel had reviewed the objections raised in the letter, and based on their review, staff recommended that the Board move forward with the adoption of the Resolution of Necessity for the property separately from the five RONS which did not receive objections or adverse comment.

Joe Carroll, serving as counsel to the Board on Eminent Domain items, presented the unopposed RONS. He explained that it was counsel's opinion that there was prima facie evidence that the factors were present. He added that if the Board agreed and determined that the factors were present, the Board may move to adopt the RONS.

Staff recommended adoption of the five unopposed RONS.

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

**A motion was made by Mr. Davis and seconded by Mr. Kim to adopt the eight RONS. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Kim, and Mr. Davis all voting aye).**

Mr. Carroll then presented the opposed Resolution of Necessity (RON) for the River Ranch Farms Property in Kings County and explained that the property owner lodged an objection on the grounds that (1) The findings required by law cannot be made, by reason of the multiple violations of the foundational statute which conditionally authorized the High Speed Rail Project. THE SAFE, RELIABLE HIGH SPEED PASSENGER TRAIN BOND ACT FOR THE 21st CENTURY, (2) The proposed adoption of the RON would authorize an illegal act, (3) The authorization to proceed with the condemnation of the property would necessarily be based on a flawed adoption of the noticed RON, and (4) The appraisal statement and appraisal supporting the precondemnation offer required by Government Code section 7267.2 was inadequate.

Mr. Carroll stated that the RONS, the objections, and the High Speed Rail Authority's response had been reviewed and that it was counsel's opinion that there was prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 were present. He added that if the Board agreed and determined the factors were present, the Board may move to adopt the Resolution of Necessity.

Staff recommended adoption of the Resolution of Necessity.

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

**A motion was made by Mr. Kim and seconded by Mr. Davis to adopt the staff recommendation. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Davis, and Mr. Kim all voting aye).**

**OTHER BUSINESS:**

NONE

**GENERAL PUBLIC COMMENT:**

Ms. van Ravenhorst wanted to address Mr. Kim's question about the contingency that was left in the Ironwood State Prison Project in Consent Item 1. She confirmed there was \$398,000 left in the contingency as of March 2020.

**REPORTABLES:**

Ms. van Ravenhorst presented the reportable items. There were no questions or comments from the Board.

**NEXT MEETING:**

Ms. Miller stated that the next Board meeting was scheduled for Friday, September 11, 2020, time and location to be determined.

Ms. Miller asked if there were any other questions or comments from the Board, or from the public on any other matters within the Board's jurisdiction. There were none.