



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD

June 11, 2018

PROPOSED MINUTES

PRESENT:

Ms. Jacqueline Wong-Hernandez, Chief Deputy Director, Department of Finance
Mr. Jeff McGuire, Chief Deputy Director, Department of General Services
Mr. Ryan Chamberlain, Chief Deputy Director, Department of Transportation
Tim Schaefer, State Treasurer's Office
Tom Yowell, State Controller's Office
Assembly member Jim Frazier (Advisory Member)

CALL TO ORDER AND ROLL CALL:

Ms. Jacqueline Wong-Hernandez, Chairperson of the Board, called the meeting to order at 10:02 a.m. Ms. Marie Magdaleno, serving as Secretary to the Board, called the roll. A quorum was established.

BOND ITEMS:

The first order of business was to consider three Bond Items.

- Bond Item 1: Adopt a resolution to authorize 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 Paso Robles Forest Fire Station: Replacement Facility project in San Luis Obispo County.

Staff recommended adoption of the resolution.

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

A motion was made by Mr. Schaefer and seconded by Mr. Yowell to approve and adopt the resolution for the bond item. The motion was passed unanimously through a roll call vote 5-0 (Ms. Wong-Hernandez, Mr. Schaefer, Mr. Yowell, Mr. Chamberlain, and Mr. McGuire all voting aye).

- Bond Item 2: Adopt a resolution to authorize actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions for the Board of State and Community Corrections, Adult Local Criminal Justice Facilities Project in Oroville, Butte County.

Staff recommended adoption of the resolution.

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

A motion was made by Mr. Schaefer and seconded by Mr. McGuire to approve and adopt the resolution for the bond item. The motion was passed unanimously through a roll call vote 5-0 (Ms. Wong-Hernandez, Mr. Schaefer, Mr. McGuire, Mr. Chamberlain, and Mr. Yowell all voting aye).

- Bond Item 3: Adopt a resolution to authorize actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions for the Board of State and Community Corrections, Adult Local Criminal Justice Facilities Project in Santa Paula, Ventura County.

Staff recommended adoption of the resolution.

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

A motion was made by Mr. Schaefer and seconded by Mr. Chamberlain to approve and adopt the resolution for the bond item. The motion was passed unanimously through a roll call vote 5-0 (Ms. Wong-Hernandez, Mr. Schaefer, Mr. Chamberlain, Mr. McGuire, and Mr. Yowell all voting aye).

Bond matters having been concluded, Mr. Yowell and Mr. Schaefer departed the meeting.

MINUTES:

The next order of business was to consider approving the minutes from the May 11th Board meeting.

Ms. Lukenbill, Deputy Director of the Board, reported that staff had prepared and reviewed the minutes from the May 11th Board meeting and recommended their approval.

A motion was made by Mr. McGuire and seconded by Mr. Chamberlain to approve the minutes. The minutes were approved by a 3-0 voice vote (Ms. Wong-Hernandez, Mr. McGuire, and Mr. Chamberlain all voting aye).

CONSENT ITEMS:

The next order of business was to consider one Consent Item.

- Consent Item 1: Consider recognizing a scope change and an anticipated deficit for the Department of Forestry and Fire Protection, San Luis Obispo Unit Headquarters facility Replacement project in San Luis Obispo County.

Staff recommended approval of Consent Item 1.

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

A motion was made by Mr. Chamberlain and seconded by Mr. McGuire to approve the Consent Calendar. The Consent Calendar was approved by a 3-0 voice vote (Ms. Wong Hernandez, Mr. Chamberlain, and Mr. McGuire, all voting aye).

ACTION ITEMS:

The next order of business was to hear two Action Items.

- Action Item 1: Adopt one amended Resolution of Necessity (RON) authorizing the use of eminent domain to acquire the Church property in Kings County.

Staff recommended the Board adoption of the amended RON authorizing the use of eminent domain for the Church property.

Ms. Wong-Hernandez asked if there were any questions or comments from the Board, from property owners, or from the public. There were none.

A motion was made by Mr. McGuire and seconded by Mr. Chamberlain to approve the Action Item. Action Item 1 was approved by a 3-0 roll call vote (Ms. Wong-Hernandez, Mr. McGuire, and Mr. Chamberlain all voting aye).

- Action Item 2: Adopt four separate RONs authorizing the use of eminent domain to acquire four separate properties in Kings and Kern Counties.

Mr. Ephraim Egan, acting as Counsel to the Board on eminent domain issues, presented the RONs.

Mr. Egan presented the three unopposed RONs for properties 2, 3, and 4 separately from the opposed RON for property 1.

Mr. Egan told the Board that the three unopposed RONs (properties 2, 3 and 4) had been reviewed to ensure that the prima facie evidence complies with the factors set forth in Code of Civil Procedure Section 1245.230 and that if the Board agrees and determines these factors are present, the Board may move to adopt the three RONs.

Staff recommended the authorization of the adoption of the RONs for properties 2 through 4, authorizing the use of eminent domain.

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

A motion was made by Mr. Chamberlain and Mr. McGuire to approve the Action Item. Action Item 2 was approved by a 3-0 roll call vote (Ms. Wong-Hernandez, Mr. Chamberlain, and Mr. McGuire, all voting aye).

Mr. Egan presented the RON for property 1, the Certis USA property, and summarized Certis USA, LLC's objections to the adoption of the RON. Mr. Egan stated that the Certis RON, Certis USA, LLC's written objections, and the Authority's written response to those objections had been reviewed, and that it is his opinion that there is prima facie evidence that the factors set forth in Code of Civil Procedure section 1245.230 are present.

Mr. Edward G. Burg, counsel for Certis USA, LLC, addressed the Board and detailed the reasons why he believed the RON should not be adopted, including, that a design change that would require more of Certis USA, LLC's property is not planned or located in the manner that will be most compatible with the greatest public good and the least private injury, that the extra property sought to be acquired due to the design change is not necessary for the project because the original design provided the same public good, that the High Speed Rail Authority (Authority) did not properly comply with CEQA after the design change, that a proper offer under Government Code section 7267.2 has not been made to the owners of record because the offer was based on an access easement as opposed to a utility easement, and that adoption of the RON is improperly predetermined.

Mr. Don Odell, the acting director of Real Property for the Authority, and Ms. Kendall Bonebrake, counsel for the Authority, responded to the issues raised by Mr. Burg.

Ms. Wong-Hernandez asked if there were any other questions or comments from the Board or public.

Board members directed questions and comments to Mr. Odell and Ms. Bonebrake regarding issues related to those raised by Mr. Burg.

Mr. Odell and Ms. Bonebrake provided responses to Board members comments and questions, including that the design change was the result of additional information gathered in the design-build process that indicated the change would result in significant cost savings. Mr. Odell also stated the Authority determined that the change implemented was minor enough that it did not require an updated Environmental Impact Review document.

Mr. Odell also explained that using the easements for utilities does not put a greater burden on the property than an access easement; however, this could be a matter of compensation determined in a court.

Ms. Bonebrake added that the appraiser agreed that the value of an access versus a utility easement is the same, and any disagreement on this point would be decided by a jury.

Mr. Egan added that a determination of whether the environmental impact differences between a viaduct and a berm, is outside the Board's purview, and would be made by the court.

A motion was made by Mr. McGuire and seconded by Mr. Chamberlain to approve the Action Item. Action Item 3 was approved by a 3-0 roll call vote (Ms. Wong- Hernandez, Mr. McGuire, and Mr. Chamberlain all voting aye).

OTHER BUSINESS:

Ms. Lukenbill requested the Board adopt a resolution authorizing the staff to select, negotiate, and enter into a contract with Bond Counsel and Disclosure Counsel for services related to the issuance of State Public Works Board Lease Revenue Bonds. The current contract for bond counsel and disclosure counsel services, set to end on June 30, 2018, were entered into by the State Treasurer's Office on behalf of the Board. Board staff has determined that contracting directly for these services will aid in the efficient administration of the Board's lease revenue bond program.

Staff recommended the authorization of the adoption of the Resolution.

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

A motion was made by Mr. Chamberlain and Mr. McGuire to approve the Other Business. Other Business was approved by a 3-0 roll call vote (Ms. Wong-Hernandez, Mr. Chamberlain, and Mr. McGuire, all voting aye).

REPORTABLES:

Ms. Lukenbill then presented the reportable items, and told the Board that he would be happy to answer any questions. The Board had none.

NEXT MEETING:

Ms. Wong-Hernandez stated the next Board meeting is scheduled for Monday, July 16, 2018 at 10:00 a.m. in Room 2040 at the State Capitol.

Ms. Wong-Hernandez asked if there were any comments or questions from the public before adjournment. There were none.

The meeting was adjourned at 11:03 a.m.