



STAFF ANALYSIS

STATE PUBLIC WORKS BOARD

Friday, February 17, 2023 at 10:00 a.m.

This meeting will take place virtually and can be accessed through the following link or phone numbers*:

<https://us06web.zoom.us/j/84971380026?pwd=SG5OK08ya3B4Wks3L1c1SixU0NSUT09>

Meeting ID: 849 7138 0026

Passcode: =J%E0g=8

Or

Phone: (669) 219 2599**

(669) 900 9128**

(213) 338 8477**

Meeting ID: 849 7138 0026

Passcode: 82583098

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Members of the Board will participate remotely via telephonic or video conference. Members of the public may observe the meeting and address the Board through the Zoom link or the telephone numbers identified above. If using the Zoom platform, please install the Zoom application and enter the virtual conference room prior to the meeting start time. Members of the public may also submit comments in advance of the meeting. If members of the public wish to submit comments, the Board asks members of the public to provide written comments to Kat.Lee@dof.ca.gov prior to the meeting. To the extent possible, all written comments will be distributed to the members of the Board prior to the meeting

Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the State Public Works Board website. [Please click here to view](#). The full Board member briefing package is available upon request. Please send an email to Kat.Lee@dof.ca.gov.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Kat Lee at (916) 445-9694 or e-mail to Kat.Lee@dof.ca.gov, five days prior to the meeting.

MINUTES

Consider approving the minutes from the January 20, 2023 meeting.

Staff have reviewed the minutes from the January 20, 2023 meeting and recommend approval.

Staff Recommendation: **Approve minutes from the January 20, 2023 meeting.**

CONSENT ITEMS

CONSENT ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
STEWARDSHIP COUNSEL LANDS: ACQUISITION — PIT RIVER / TUNNEL TRACT
SHASTA COUNTY**

Authority: 2019 Budget Act, 3540-301-0001 (10)

Consider authorizing:

- 1) Acquisition of real property.**
- 2) Execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Pit River / Tunnel Tract
Shasta County

Action requested

If approved, the request will authorize the acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.

Background

Pacific Gas & Electric Company (PG&E) is the owner of approximately 7,000 acres of forest land in an unincorporated area near the community of Big Bend, Shasta County (the Property). Under a settlement agreement PG&E entered into as part of a 2003 bankruptcy settlement (Settlement Agreement) and a related stipulation (collectively, Governing Documents), PG&E is required to ensure that approximately 140,000 acres of

watershed lands, all owned by PG&E, including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife, and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. As a result of the Settlement Agreement, PG&E has made the Property available to the state for acquisition for no cash consideration. However, consistent with the conditions in the Governing Documents, the Property will be subject to a perpetual conservation easement (the Conservation Easement), granted to the Shasta Land Trust, a California non-profit public benefit corporation, by the state. The Department of Forestry and Fire Protection (CAL FIRE) will utilize the lands as a CAL FIRE Demonstration State Forest.

Funding and Cost Verification

This project is within cost. A total of \$425,000 was appropriated in the 2019 Budget Act for the Stewardship Council Lands Acquisition project (of which \$85,000 is for this specific parcel). The Forest Resources Improvement Fund, as described in Section 4799.13 of the Public Resources Code, provides funding for the cost of operations associated with management of lands held in trust by the state and operated as demonstration state forests by CAL FIRE pursuant to Section 4646 of the Public Resources Code. An augmentation request for an additional \$27,000 was approved by the State Public Works Board in October 2022 to complete the acquisition process for three remaining parcels. The Property can be acquired with the funds available.

CEQA

CAL FIRE filed a Notice of Exemption with the State Clearinghouse on June 6, 2022, and the 35-day statute of limitations expired without challenge.

Condition of property

In April 2018 and again in February 2020, the Department of General Services (DGS) Environmental Services Unit Staff (ESS) conducted a site visit to the subject property. The Property consists of undeveloped sectionalized land and individual parcels and consists of an elevation ranging from 1,200 feet to 3,600 feet above mean sea level, including a mixture of high-elevation level ground and step-sided canyon walls sloping to the Pit River. Natural features include several hot springs, Kinner Falls, the Lassen National Forest, the Pit River, and Pit River Canyon. The majority of the Property is forested, and the few improvements include paved and unpaved roads, trails and penstocks associated with the mega renewable facilities (FERC), the Big Bend Volunteer Fire Station, and several informal camp sites. The portion of the site with penstocks, intake structures that control the water flow that delivers water to PG&E's hydro turbines, will not be part of the Property acquired. PG&E will retain land that includes powerhouses, dams, electric transmission lines, and associated electric generation facilities. Non-operating vehicles, a pile of aging steel, and random used or abandoned household items were observed. A debris area was identified northwest of the Circle H Ranch located near Big Bend Road in the Environmental Site Assessment, Phase I dated April 2011, however the debris area was not observed by the ESS staff.

Environmental Site Assessment (ESA) Phase I

A Phase I ESA report was completed in May 2020. The Phase I ESA found minimal environmental concerns. Due to the isolated location and difficulty in assessing the land, DGS staff is also confident that the conditions of the site have not changed.

Pesticides and associated metals such as arsenic may be present within the electrical transmission corridors (corridors). However, since the planned land use will remain the same, a soil assessment is not recommended at this time. If the land use within the corridors does change in the future to residential, school, daycare, or other unrestricted use, then the site soil should be assessed for the potential presence of pesticides and arsenic.

The corridor areas will not be acquired by the state, but rather retained by PG&E for FERC compliance requirements and regulations.

Other:

- The Board approved the site selection of the Property on January 7, 2020.
- The state will not be acquiring the fire station and ranch areas as a part of this transaction.
- PG&E and an adjacent property owner have cleared non-operating vehicles as well as the pile of aging steel and the abandoned household items from the Property. PG&E has determined, per the American Society for Testing and Materials Standards, that there are no environmental issues in this area.
- The Borgna Encroachment described in the Property Acquisition Agreement has been remediated to the satisfaction of the Department of Fish and Wildlife (DFW) which issued the Notice of Violation, per the Completion of Remediation Letter issued by DFW on October 12, 2022.
- PG&E, confirmed by CAL FIRE, has cleared the debris at the Circle H Ranch area.
- The property acquisition agreement does not include the state's standard indemnification language. As a condition to state agreeing to accept the Property from the grantor, the state will require an agreement requiring the grantor hold state harmless for certain hazardous waste or substance liability.
- As a condition to the grantor agreeing to convey the Property to state, the grantor will require an agreement whereby state shall grant to grantor certain easements and other rights with respect to the Property for utility facility access, operation, and maintenance.
- Transfer of the Property to CAL FIRE was approved by the California Public Utilities Commission on September 18, 2022.
- The Federal Energy Regulatory Commission (FERC) waiver was approved on January 25, 2021.
- Neither DGS nor CAL FIRE is aware of any lawsuits pending concerning the Property. The Property Acquisition Agreement will require delivery of title free and clear of any mortgages or liens.
- Relocation assistance will not be required.
- The site meets the physical and location requirements of CAL FIRE.
- There are no historical issues and no indication of implied dedications associated with the subject Property.
- The proposed project location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq. State ownership of the Property will help ensure the site is protected and limit incompatible development in this area.

Project Schedule

It is anticipated escrow will close February 2023.

Staff Recommendation: **Authorize the acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

ACTION ITEMS

ACTION ITEM—1

**HIGH SPEED RAIL AUTHORITY (2665)
CENTRAL VALLEY SEGMENT
FRESNO COUNTY**

Authority: 2012 Budget Act, 2665-306-0890 (1), as reappropriated by the 2018 and 2021 Budget Acts
2012 Budget Act, 2665-306-6043 (1), as reappropriated by the 2018 Budget Act
2014 Budget Act, 2665-306-3228 (1),
2021 Budget Act, 2665-301-6043 (1)
Section 39719(b) (2) of the Health and Safety Code
Section 39719.1 of the Health and Safety Code
Section 15854 of the Government Code

Consider the adoption of an amended Resolution of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire the following property or interests in property for the High Speed Train System:

- 1. Gonzales Property (Fresno County)
Assessor Parcel Number: 335-090-54
Authority Parcel Numbers: FB-10-1792-1, FB-10-1792-2, FB-10-1792-3, and
FB-10-1792-4
Resolution of Necessity Number: 2022-0105**

STAFF ANALYSIS ITEM—1

High Speed Rail Authority
Central Valley Segment
Fresno County

Action Requested

If approved, adopt an amended Resolution of Necessity (RON) authorizing the use of eminent domain by the High Speed Rail Authority (Authority) to acquire property or interests in property for the High Speed Train System (HSTS).

Gonzales Property: On November 18, 2022, the Board adopted Resolution of Necessity 2022-0105, authorizing the use of eminent domain to acquire the Gonzales property in Fresno County. Subsequent to adoption, a missing citation was identified, prompting the need for an amended RON.

On January 25, 2023 Notices of Intent to adopt a First Amended Resolution of Necessity were mailed by Board staff to the owners of the abovementioned property. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Staff Recommendation: Adopt an amended RON authorizing the use of eminent domain by the Authority to acquire the above-described property or interests in property for the HSTS.

OTHER BUSINESS
NONE

GENERAL PUBLIC COMMENT

REPORTABLES

Reportable Items

For the February 17, 2023 Board Meeting

Actions Authorized by Staff from January 11, 2023 through February 6, 2023

As Authorized by Resolution of the Board dated December 13, 2019

Department/Org Code	Project Title	Project Authority	Action	Amount/(Percent)
Judicial Council of California (0250)	New Ukiah Courthouse, Mendocino County	Sections 70371.5 and 70371.7 of the Government Code; 2012 Budget Act, 0250-301-3138 (10), as reappropriated by 2015 Budget Act; 2021 Budget Act, 0250-301-0001 (2); 2022 Budget Act, 0250-301-0660 (1)	Approve performance criteria	
Judicial Council of California (0250)	Two New Shelled Courtrooms for Two New Judgeships, Sacramento County	2022 Budget Act, 0250-301-0001 (9)	Approve preliminary plans	
Judicial Council of California (0250)	Juvenile Dependency Courthouse Addition and Renovation, San Bernardino County	2021 Budget Act, 0250-301-0001 (7), as reappropriated by 2022 Budget Act; 2022 Budget Act, 0250-301-0001 (4)	Approve preliminary plans Recognize an anticipated deficit	\$691,000 (approximately 7.3% over the total project appropriation)

Department/Org Code	Project Title	Project Authority	Action	Amount/(Percent)
California High-Speed Rail Authority (2665)	Phase 1 Blended System Various Counties	2012 Budget Act, 2665-306-0890 (1) as reappropriated by the 2018 and 2021 Budget Acts; 2012 Budget Act, 2665-306-6043 (1) as reappropriated by the 2018 Budget Act; 2013 Budget Act, 2665-301-0890 (1) and 2665-491 as reappropriated by 2016 Budget Act; 2013 Budget Act, 2665-301-6043 (1) and 2665-492 as reappropriated by the 2016 Budget Act; 2014 Budget Act, 2665-306-3228; 2014 Budget Act, 2665-301-3228; 2021 Budget Act, 2665-301-6043; Section 39719(b) (2) of the Health and Safety Code, 2665-801-3228; Section 39719.1 of the Health and Safety Code, 2665-802-3228	Approve an appropriation	\$25,000,000 (0.2% of total funds appropriated) (0.3% of cumulative)