



# STATE PUBLIC WORKS BOARD

Gavin Newsom ■ Governor

915 L Street ■ Ninth Floor ■ Sacramento CA ■ 95814-3706 ■ (916) 445-9694

## STATE PUBLIC WORKS BOARD

August 9, 2024

FINAL MINUTES

### **MEMBERS PRESENT:**

Michele Perrault, Chief Deputy Director, for the Department of Finance  
Jennifer Osborn, Chief Deputy Director, for the Department of General Services  
Mike Keever, Chief Deputy Director, for the Department of Transportation  
Dave Oppenheim, Deputy Controller, for the State Controller  
Blake Fowler, Deputy of Public Finance, for the State Treasurer

### **MEMBERS ABSENT:**

None.

### **CALL TO ORDER AND ROLL CALL:**

Michelle Perrault, Chairperson of the State Public Works Board (Board), called the meeting to order at 10:01 a.m. Angela Noland, Secretary of 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:

Sally Lukenbill, Executive Director of the Board, stated that the requested action would approve the adoption of an amended and restated resolution authorizing actions to provide for interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution and delivery of an amended Project Delivery Agreement, and other related actions for the San Bernardino Area Office Replacement project in San Bernardino County, for the California Highway Patrol.

The project scope includes the construction of an approximately 43,000 square foot single story building with attached auto service bays, on a 5.5-acre site.

Ms. Lukenbill noted that on August 16, 2019, the Board approved an action to adopt a Resolution and related documents for this project. Since that time, the original contractor on the project was released and paid for work completed. Additional authority to continue the project was secured in the 2022 and 2023 Budget Acts. This amended and restated resolution reflects the new authority, and the design build contract will be awarded to a new contractor upon approval of these documents.

Bonds for this project would be issued in an amount not to exceed \$76,299,000.

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

**A motion was made by Ms. Osborn and seconded by Mr. Keever to approve Bond Item 1. The motion passed unanimously through a 5-0 roll-call vote (Ms. Perrault, Ms. Osborn, Mr. Keever, Mr. Oppenheim, and Mr. Fowler all voting aye).**

Bond Item 2:

Ms. Lukenbill stated that the requested action would approve the adoption of a resolution authorizing actions 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 Metropolitan: Central Utility Plant Replacement project in Los Angeles County for the Department of State Hospitals.

The project scope includes the replacement of the existing Central Utility Plant at Metropolitan State Hospital. The project scope includes the demolition of the existing chilled water storage tank and cooling tower; addition of new chillers, boilers, pumps and controls at the central plant, and new piping for hot water. In addition, new boilers will be added to the Clinical Administration Building and Central Kitchen.

Bonds for this project would be issued in an amount not to exceed \$52,308,000.

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

**A motion was made by Mr. Oppenheim and seconded by Mr. Fowler to approve Bond Item 2. The motion passed unanimously through a 5-0 roll-call vote (Ms. Perrault, Ms. Osborn, Mr. Keever, Mr. Oppenheim, and Mr. Fowler all voting aye).**

Bond Item 3:

Ms. Lukenbill stated that the requested action would adopt a resolution to authorize the following actions related to the Napa County SB 1022 Adult Local Criminal Justice Facility:

1. Authorize defeasance and redemption of the portion of the outstanding Series 2020B Bonds, which financed certain costs for the facility. The defeasance would be conditioned on the receipt of money from the County of Napa necessary to pay all costs associated with the defeasance and redemption and all costs incurred with respect to the financing of facility.
2. Provide approval of the form of Escrow Agreement, by and between the Board and the State Treasurer.
3. Approve the form of Termination Agreement, by and among the Board, the Department, and the County of Napa.
4. Authorize the Executive Director and Deputy Directors to determine the amount of funds to be provided by the County of Napa necessary to pay all costs associated with the defeasance and redemption and all costs incurred with respect to the financing of the project.

5. Authorize and direct the Executive Director and Deputy Directors to take any and all actions and to execute and deliver any documents which are deemed necessary to effectuate the purposes of the resolution.

Napa County staff indicated they no longer have the adequate number of inmates that would allow this facility to be used for the purposes for which bonds were sold. The action before the Board today would allow Napa County to permanently use the facility for other purposes.

The outstanding principal amount of the Series 2020B Bonds which must be redeemed/defeased to release the Napa County Jail Project from the financing documents, is \$13,474,000.

Ms. Perrault thanked and excused Mr. Oppenheim and Mr. Fowler.

**A motion was made by Ms. Osborn and seconded by Ms. Perrault to approve Bond Item 3. The motion passed unanimously through a 5-0 roll-call vote (Ms. Perrault, Ms. Osborn, Mr. Keever, Mr. Oppenheim, and Mr. Fowler all voting aye).**

#### **MINUTES:**

The next order of business was to approve the minutes from the July 12, 2024, Board meeting.

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

**A motion was made by Ms. Osborn and seconded by Mr. Keever to approve the minutes. The motion passed unanimously through a 3-0 roll-call vote (Ms. Perrault, Ms. Osborn, and Mr. Keever all voting aye).**

#### **Consent Calendar A:**

The next order of business was to consider Consent Calendar A which consisted of one item within the Natural Resources Agency.

##### Consent Item 1:

Ms. Lukenbill stated that the item on Consent Calendar A had been pulled from the agenda and would be heard at a later date.

#### **Consent Calendar B:**

The next order of business was to consider one item on Consent Calendar B.

##### Consent Item 1:

Ms. Lukenbill stated that the requested action would approve preliminary plans for the Metropolitan: Central Utility Plant Replacement project in Los Angeles County for the Department of State Hospitals, related to Bond Item 2.

This project includes the replacement of the existing Central Utility Plant located at Metropolitan State Hospital. The project scope includes the demolition of the existing chilled water storage tank and cooling tower; the addition of new chillers, boilers, pumps; and controls at the central plant, and new piping for hot water. The project

also includes the addition of new boilers in the Clinical Administration Building and Central Kitchen.

The real estate due diligence review for this project had not yet been completed. However, DGS, on behalf of the department, anticipates that the Summary of Conditions letter for the project will be completed during the working drawings phase.

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

**A motion was made by Mr. Keever and seconded by Ms. Osborn to approve Consent Item 1. The motion passed unanimously through a 3-0 roll-call vote (Ms. Perrault, Ms. Osborn, and Mr. Keever all voting aye).**

**ACTION ITEMS:**

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

Action Item 1:

Ms. Lukenbill stated that the requested action would adopt one Resolution of Necessity authorizing the use of eminent domain by the High-Speed Rail Authority, to acquire the following property or interest in property for the High-Speed Train System:

- **Bettencourt Property in Kings County**

The Authority notified the Board's staff that in March 2024, that the respective property owner was provided with a first written offer to purchase the subject property, as required by Government Code. The Authority has informed the Board's staff that negotiations to acquire the property are continuing; however, to keep the project on schedule, the adoption of a Resolution of Necessity to authorize the use of eminent domain is required at this time.

On July 24, 2024, a Notice of Intent to adopt a Resolution of Necessity was mailed by Board staff to the property owner. This notice was sent in accordance with Code of Civil Procedure. The Board member briefing packages contain the Resolutions of Necessity, surveyor maps for the property, as well as a notice of intent to appear from the Dias law firm, on behalf of the property owner.

Ben Chandler, serving as counsel to the Board on Eminent Domain items, will present the Resolution of Necessity.

Mr. Chandler stated that The Resolution of Necessity that is before the Board this morning has been reviewed to ensure there is prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 are present. Specifically, that the Resolution provides:

1. The public interest and necessity require the Project.
2. That the proposed Project is planned and located in a manner that will provide the greatest public good with the least private injury.
3. The acquisition property described in Exhibit A of the Resolution is necessary for the project; and

4. The offer of just compensation required by Government Code section 7267.2 has been made to all owners of record as required by the statute, except where an offer could not be made because the owner of record or any appropriate heirs, descendants, or devisees could not be located.

Mr. Chandler explained that it was counsel's opinion that for the Resolution of Necessity, prima facie evidence for these factors is present such that the Board may adopt the Resolution of Necessity. If the Board agreed and determined these factors are present, the Board may move to adopt the Resolution of Necessity.

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

Stephen Alfieres, from the Dias Law Firm and legal counsel for the Bettencourt Property, stated that they were not filing a formal objection to the Board's action, but explained that this would be a renewal of temporary construction easements. Mr. Alfieres continued that the existing easements had expired, and the work had not been completed. Mr. Alfieres questioned if the work would move forward this time.

Allison Post-Harris, counsel for High-Speed Rail Authority, responded providing background on the project and stated that the property is necessary for project to continue.

Rodney Tabares, Assistant Deputy Director of Real Property for the High-Speed Rail Authority, stated that High-Speed Rail Authority continues to actively work with both grantors to complete work.

Robert Campbell, High-Speed Rail Authority Engineer, stated that the move of transmission lines is the last remaining portion of the project. Mr. Campbell stated that the work had not been completed already due to PG&E scheduling issues, as the move can only be completed during a specific window each year. The transmission line move is scheduled for November 2025 to March 2026.

Mr. Alfieres confirmed with Mr. Campbell that the work would begin November 2025.

Ms. Perrault asked if there were any questions or comments from the Board.

Mr. Keever confirmed with Ms. Post-Harris that both communications and negotiations were still ongoing with the property owner and that the property owner had no objections to the Resolution of Necessity.

Ms. Perrault thanked both Mr. Alfieres and High-Speed Rail Authority for being present and providing comment.

**A motion was made by Mr. Keever and seconded by Ms. Osborn to approve Action Item 1. The motion passed unanimously through a 3-0 roll-call vote (Ms. Perrault, Ms. Osborn, and Mr. Keever all voting aye).**

**OTHER BUSINESS:**

None.

**GENERAL PUBLIC COMMENT:**

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

**REPORTABLES:**

Ms. Lukenbill presented the Reportable Items for the period of July 2, 2024, through July 26, 2024.

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

**NEXT MEETING:**

Ms. Perrault stated that the next Board meeting would be held on Tuesday, August 27, 2024, with the time and location of the meeting posted on the Board's website.

Ms. Perrault asked if there were any other questions or comments from the Board or from the public. There were none. The meeting concluded at 10:24 am.