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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: TUESDAY, JUNE 30, 2015
TIME: 4:14 P.M.

Reported By: Mary Clark Transcribing
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APPEARANCES

MEMBERS OF THE BOARD PRESENT:

ERAINA ORTEGA, Chief Deputy Director, Policy, Department of Finance, designated representative for Michael Cohen, Director, Department of Finance

ESTEBAN ALMANZA, Chief Deputy Director, Department of General Services, designated representative for Daniel Kim, Director, Department of General Services

CESAR DIAZ, Appointee of Edmund G. Brown, Jr., Governor of the State of California

NICK SCHWEIZER, Deputy Superintendent of Public Instruction, Services for Administration, Finance, Technology & Infrastructure Branch, California Department of Education (CDE), designated representative for Tom Torlakson, Superintendent of Public Instruction

SENATOR CAROL LIU

ASSEMBLYMEMBER SUSAN BONILLA

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer
BILL SAVIDGE, Assistant Executive Officer

REPRESENTATIVES OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF PUBLIC SCHOOL CONSTRUCTION (OPSC) PRESENT:

LISA SILVERMAN, Executive Officer
BARBARA KAMPMEINERT, Deputy Executive Officer

REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF LEGAL SERVICES PRESENT:

JONETTE BANZON, Staff Counsel

P R O C E E D I N G S

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CHAIRPERSON ORTEGA: Good afternoon, everyone. I'm going to call the State Allocation Board meeting to order as a subcommittee at this point, and we'll start with some of the nonaction items while we wait for our last member to create a quorum.

Lisa, why don't we start with the **Executive Officer Statement**.

MS. SILVERMAN: Yeah, so we have just a few items to share. Just want to give the Board an update. We had a priority in funding round open up in May and it closed in the middle of June, June 11th, and we had 43 projects that came in requesting for \$191 million.

And again, those certifications will be valid July 1st through December 31st, 2015. So if there's cash that's induced to the program, these folks would be first priority in accessing cash.

And also just to highlight to the Board that because of that filing round that did open and close, there were 12 projects, \$11.2 million, and these folks had the second occurrence, so they actually lost their award. So -- and those are several career tech education projects.

That bond authority would go back to the line item and then once we have the regulations in effect, that money

1 will be disbursed as a priority back either to new
2 construction/modernization or to health and safety projects.

3 CHAIRPERSON ORTEGA: Okay.

4 MS. SILVERMAN: And then just to give an update on
5 the apportionments. The Board took action in April. There
6 was \$113 million that was provided to districts that already
7 had the existing bond approval and the certification that
8 was valid.

9 We technically have \$67.6 million that had come
10 through the door and so we're slightly shy of hitting that
11 goal of getting all that money out. So we have a deadline
12 of July 14th.

13 We've been actively reaching out to those
14 districts to ensure that they comply with the requirements
15 and they access the cash.

16 And another update is the budget. The budget was
17 enacted and approved by the Governor and the Legislature,
18 and so there is going to be a reduction in staffing from
19 OPSC of 37 positions.

20 There also is -- the outcome is that nobody will
21 lose their jobs. We have some vacancies that will be
22 absorbed and 25 folks have either moved onto other positions
23 within the department or taken positions outside of state
24 service -- within other state departments.

25 We also did want to share as well, the Emergency

1 Repair Program, as a result of the enacted budget, will see
2 \$273 million and so the goal is to fund all the projects
3 that are currently on that Williams case settlement that
4 have been preapproved back many years ago. So we'll likely
5 take that action to the August Board. So the goal is to
6 bring all those projects forward and take action at the next
7 Board meeting.

8 CHAIRPERSON ORTEGA: Okay. I'm going to ask you
9 to hold on for one second.

10 MS. SILVERMAN: Okay.

11 CHAIRPERSON ORTEGA: Ms. Jones, if you could take
12 the roll, please.

13 MS. JONES: Senator Hancock.

14 Senator Liu.

15 SENATOR LIU: Here.

16 MS. JONES: Senator Runner.

17 Assemblymember Nazarian.

18 Assemblymember Bonilla.

19 ASSEMBLYMEMBER BONILLA: Here.

20 MS. JONES: Assemblymember Chavez.

21 Nick Schweizer.

22 MR. SCHWEIZER: Here.

23 MS. JONES: Cesar Diaz.

24 MR. DIAZ: Here.

25 MS. JONES: Esteban Almanza.

1 MR. ALMANZA: Here.

2 MS. JONES: Eraina Ortega.

3 CHAIRPERSON ORTEGA: Here.

4 MS. JONES: We have a quorum.

5 CHAIRPERSON ORTEGA: Thank you.

6 MS. SILVERMAN: And then two more updates. We
7 will not have a July meeting, so just we'll resume back in
8 August 26th.

9 And then there is regulations that will be
10 effective July 1st and that relates to AB-308 and that
11 relates to site sale proceeds.

12 CHAIRPERSON ORTEGA: Okay.

13 MS. SILVERMAN: That's what we have to share
14 tonight.

15 CHAIRPERSON ORTEGA: Okay. Should we go back to
16 the **Minutes**.

17 MS. SILVERMAN: Yes. Minutes are ready for your
18 approval.

19 CHAIRPERSON ORTEGA: These are the Minutes for the
20 May 27th, 2015, meeting. Any questions or comments from
21 Board member?

22 MR. DIAZ: I move to accept.

23 CHAIRPERSON ORTEGA: Moved by Mr. Diaz.

24 MR. ALMANZA: Second.

25 CHAIRPERSON ORTEGA: Second by Mr. Almanza. All

1 in favor.

2 (Ayes)

3 CHAIRPERSON ORTEGA: Passes unanimously. And the
4 **Consent Agenda.**

5 MS. SILVERMAN: Consent are ready for your
6 approval.

7 CHAIRPERSON ORTEGA: Okay. Any comments or
8 questions?

9 MR. DIAZ: So moved.

10 CHAIRPERSON ORTEGA: Moved by Mr. Diaz.

11 MR. ALMANZA: Second.

12 CHAIRPERSON ORTEGA: Second by Mr. Almanza. Any
13 public comment on the Consent Agenda? And nothing from the
14 members? Seeing none, all in favor.

15 (Ayes)

16 CHAIRPERSON ORTEGA: Passes unanimously. And,
17 Lisa, you want to do the **Status of Funds.**

18 MS. SILVERMAN: Yes. The fund release report,
19 just really quickly on that item. There was no releases in
20 the month of May, so that takes care of that report.

21 And as far as status of funds, with the Consent
22 Agenda being approved, there was over \$35 million in
23 projects that resulted in \$43.2 in seismic projects being
24 approved for unfunded approvals this month and also to take
25 into account the \$11.2 million in rescissions in the Career

1 Tech Education Program.

2 Plus there was also numerous closeout and
3 rescissions and we have over \$652,000 in that activity for
4 14 projects. So that summarizes that activity for this
5 month's Consent Agenda.

6 CHAIRPERSON ORTEGA: Okay. Any questions for
7 Lisa? Seeing none, we'll move to the action items. So for
8 the members of the audience and the Board members, we have
9 two items for action on the agenda. One is an appeal from
10 Napa Valley Unified School District and the other is three
11 school districts grouped together in one item, Pittsburg
12 Unified, Perris Union, and Lindsay Unified.

13 All four issues are related to labor compliance
14 issues, and so I thought it would make sense to have one
15 presentation on the background on labor compliance. We can
16 take the items up separately, but have the staff do one kind
17 of overview and then hear from the districts and have our
18 questions and comments.

19 So we'll move into the staff presentation and this
20 would be related to Tab 8.

21 MS. SILVERMAN: Tab 8 on page 83. Yeah. So we
22 want just to share with the Board that we are taking forward
23 a report related to the Labor Code compliance.

24 The Board has heard several cases in the past and
25 to some extent, there's four applications that are unable to

1 meet the Labor Code requirements and for purposes that we
2 cannot release the funds at this point in time, it's because
3 we didn't have the notification requirements that would
4 enable us to release the funds at this point in time.

5 So just an overall synopsis: We had four
6 projects, one from Pittsburg Unified in which they had no
7 compliance monitoring related to the project. Excuse me.
8 Let's back up. They didn't have notification related to the
9 five-day notice to the Department of Industrial Relations.

10 Likewise, Perris Union, they also have a project
11 as well. They did have some notification, but it was five
12 months into the project.

13 We have Lindsay Unified. They had two projects in
14 which the work was commenced and completed and we had no
15 notification of Department of Industrial Relations until
16 after the project was completed.

17 So again, we have these noncompliance issues and
18 we addressed the Board in the past about various issues on
19 how they've dealt with the matter. So again, without any
20 action, staff cannot release the funds. So we're seeking
21 Board direction at this point in time.

22 CHAIRPERSON ORTEGA: Okay. So if it is okay with
23 the other members, I thought what we could do is ask the
24 districts to come up and just talk about the issues for each
25 of their districts, and I think it makes sense to just start

1 with how they're listed in the agenda. We'll start with the
2 Pittsburg Unified folks.

3 ASSEMBLYMEMBER DODD: I'm Assemblymember Bill
4 Dodd.

5 CHAIRPERSON ORTEGA: Oh, sure.

6 ASSEMBLYMEMBER DODD: I was told that I might be
7 able to get on because I've got another appointment outside.

8 CHAIRPERSON ORTEGA: Oh, okay. You know -- I
9 think the Napa issue is really the same background, so I
10 think that will be fine, if you want to go ahead and speak
11 to the Napa issue and then we'll move back around.

12 ASSEMBLYMEMBER DODD: Is this where you'd like me?

13 CHAIRPERSON ORTEGA: Sure.

14 ASSEMBLYMEMBER DODD: Good afternoon, everybody.

15 I'm here in support of the appeal request for the
16 appropriated seismic funding awarded to the **Napa Valley**
17 **Unified School District** that's in my district.

18 The appropriated amount of \$951,423 will be used
19 for two schools that were most vulnerable to risk.

20 I'm aware of the unfortunate circumstances that
21 led to our being here today. However, I believe that the
22 district acted in good faith and attempted to communicate
23 with the Department of Industrial Relations as required by
24 statute.

25 One of the concerns was the adherence of the

1 district to a prevailing wage requirements of which I was
2 assured that they did comply with as prescribed by the
3 intent of the law.

4 The Napa Valley Unified School District is unique
5 in its circumstances in that their commitment and decision
6 to move forward with these two projects ensuring the safety
7 of their students in spite of the lack of award funding.

8 This was unsuspectingly validated, though, by a
9 6.0 earthquake on August 24, 2014. The NVUSD is unique in
10 its circumstances in that their commitment and decision to
11 move forward with these two projects, ensuring the safety of
12 their students in spite of the lack of award funding was
13 unsuspectingly validated by that earthquake.

14 That decision alone proved to be prudent and
15 timely. Fortunately, there were no children in any of the
16 school buildings at the time.

17 The need for this funding whose sole purpose is to
18 ensure the safety of the students is urgent, and I
19 respectfully ask that you grant the appeal for the
20 appropriated funding and that the initial award amount of
21 \$951,423 be fully funded with all respect to the urgency of
22 this issue.

23 I appreciate your time and attention. Madam
24 Chair, I appreciate your allowing me to go.

25 CHAIRPERSON ORTEGA: Thank you. Are there any

1 other members of the public who wanted to speak on the Napa
2 issue?

3 MR. SWEENEY: Madam Chair, members of the Board,
4 I'm Patrick Sweeney. I'm the superintendent of Napa Valley
5 Unified.

6 I really appreciate Assemblyman Dodd being here
7 and representing our school district. We're here to ask
8 your approval for the seismic funds and that they be
9 released to complete our seismic retrofit plan.

10 We have a plan for 15 schools. We had 13 schools
11 and after the earthquake, we were notified that we had two
12 other schools that actually have to be moved because of
13 their location on faults. Some of those classrooms are over
14 60 years old.

15 We do pay prevailing wage on all our projects. We
16 met the intent of the law. We have evidence of all the
17 payments that have been made that have met the prevailing
18 wage requirements, and the State Allocation Board actually
19 did approve these funds back in August four days before the
20 earthquake.

21 I'd like to pass the microphone to Mr. Don Evans,
22 the Director of Facilities, who's been involved in many of
23 the projects working with the state and we've had a very
24 cooperative relation working with the state offices.
25 Mr. Evans.

1 MR. EVANS: Thank you, Dr. Sweeney. Members of
2 the commission, I am Don Evans and I've been involved with
3 these projects since 1978. I've done over \$750 million
4 worth of projects within Napa Valley Unified School
5 District.

6 I have a good relationship with general
7 contractors and subcontractors in our geographical area that
8 has resulted in competitive bids and participation in each
9 of those bids. We've had 3, 4, 5, 6, as many as 10 or 12
10 which is good sign that people want to come to work at Napa
11 Valley Unified.

12 Until the law changed that required the districts
13 to no longer be able to use a third party, we had, because
14 we don't have a lot of staff in my office, hired RGM
15 Associates to administer the DIR requirements, and they did
16 that by going out in the field and meeting with our
17 contractors before the jobs began, going through the process
18 so that we could ensure that they knew what was to be done.

19 Once it was changed, we had to do -- we were in
20 the position that with limited staff, we didn't make that
21 deadline and certainly we apologize for that.

22 My staff is composed of myself and anywhere from
23 one-half to two clerical positions depending on how many
24 projects we have going. The rest of the folks are part-time
25 as we need them, yet we've completed, as I shared earlier,

1 millions of dollars' worth of projects.

2 The year in question, 2013, was a summertime
3 project where we had our first opportunity to address
4 seismic projects.

5 You've all been involved with school districts and
6 you know that the projects that occur during the summer are
7 quick and fast and have to be done thoroughly. They all go
8 through the Department of DSA and are then monitored by
9 those inspectors and the DSA. Yet they still have to open
10 up for the fall start.

11 In my 40 plus years, I've never told a
12 superintendent he doesn't have a school to open up.

13 I was asked by Bill Savidge and others to come
14 before some of you in the summer of 2014 to stress the
15 importance of the seismic monies, which I did.

16 We are a district unique in the fact that we have
17 those numbers as Patrick shared with you of 15 schools that
18 were built in the '50s or earlier that in many cases were
19 made out of baseline block and that type of material which
20 of course is subject to stresses that were not thought of
21 back in those years and needed to be upgraded.

22 We put together a plan in 2012, took it to our
23 board, estimated it at \$20 million to address those
24 projects. The plan would be to work summer periods because
25 we don't have extra classrooms or extra schools, and we

1 would hope to accomplish it in three to four years.

2 We got our first project underway and took care of
3 it in the summer of 2013, which is what we're here today to
4 discuss.

5 The board cautioned us as they approved it that
6 they didn't have \$20 million. They had \$10 million, and so
7 we were counting on the state's participation in the seismic
8 program to come up with close to half of that. In some
9 cases, it wasn't going to match it completely but close
10 enough. The board was committed to do that because of the
11 safety involved.

12 We had the earthquake -- I won't go over that, but
13 I can tell you that the work we did in the summer of 2013
14 allowed those two schools that were in line -- and if you're
15 familiar with Napa, the earthquake came right up Jefferson
16 Street basically and that high school suffered \$1.5 million
17 worth of damage.

18 Its sister school one and a half miles north had
19 zero dollars damage. But we had invested that money in that
20 school during the summer of 2013. So it works.

21 We are preparing a facilities master plan that
22 we're going to take to our board of education in July that
23 goes into more depth because, unfortunately, this 6.0
24 earthquake has now identified three other elementary schools
25 that are in harm's way and will have to be completely

1 rebuilt, and in one case, we've got to move it off the site.
2 There's no room available on a ten-acre site to build the
3 school.

4 That alone is \$100 million project for Napa Valley
5 Unified.

6 In closing, I would like to acknowledge not
7 meeting the five-day requirement, but going forward, I have
8 a plan and we've implemented that plan.

9 This summer my office is overseeing over 100
10 projects. We have submitted over 60 of those already to the
11 DIR. Every contractor that's working for us knows what they
12 have to do and we can make that deadline and we'll continue
13 to monitor that.

14 We have a plan. We've done seismic work as I
15 shared with you earlier. The schools that we worked on in
16 2013 have demonstrated with that 6.0 earthquake that they
17 will survive better than our other schools, but still we
18 have a \$1.5 million problem with Napa High School that we
19 are working with FEMA and others of the OES office to
20 address.

21 In summary, I'd like to thank you for allowing us
22 to come before you today and hope you'll consider our past
23 and present efforts to meet the requirements, which I
24 understand by filing late why I heard nothing from DIR, so I
25 assumed as I was assured every contractor that worked for us

1 that summer did as they were required to do.

2 Thank you very much for your time today.

3 CHAIRPERSON ORTEGA: Thank you. Any questions.

4 MR. DIAZ: Thank you, Assemblymember Dodd and also
5 representatives of Napa. I do appreciate the information
6 that's provided and also looking forward in how to address
7 some of the deficiencies.

8 Now that the law has changed, some of those
9 requirements are also not as critical for the -- the
10 district's responsibility.

11 But making sure that these standards are adhered
12 to I think is critical. I think when you look at what
13 happened in Napa with regards to the earthquake and the
14 safety issues and the integrity of the actual building
15 itself, ensuring that compliance with the prevailing wage
16 statutes as per the Labor Code also addresses a skilled
17 workforce issue to ensure that those buildings are going to
18 be built the way that you want them built, to withstand
19 those earthquakes, because you are investing that money.

20 So appreciate that and I just want to say thank
21 you for the presentation.

22 CHAIRPERSON ORTEGA: You know, I think we had
23 thought we would hear from all the schools before we took
24 action on any of the items, if that's acceptable. Okay.
25 We'll stick with that plan. Thank you all very much.

1 So let's go back to Pittsburg Unified.

2 MR. PALACIOS: Good evening, Ms. Ortega, Board
3 members. My name is Enrique Palacios. I'm the Deputy
4 Superintendent of Schools in Pittsburg Unified School
5 District, and Ms. Prachi Amin, our Director of Facilities.

6 Thank you for the opportunity to address the Board
7 on this item.

8 Pittsburg Unified School District is a school
9 district in Contra Costa County with 11,000 students, 13
10 schools, with a community that is very supportive of public
11 education.

12 We have in the past eight years built over
13 \$300 million in new schools in Pittsburg. We've had a very
14 aggressive construction program. We've been replacing our
15 old schools with new schools. Of the 13 schools, we have
16 replaced six school and we're in the planning for two more.

17 In many of our projects that we have had there, we
18 have adhered to labor compliance as well as we have a PLA in
19 place. We've had a PLA in place since 2006.

20 This particular project in question here in the
21 agenda is a \$69,000 project that was the last component to
22 be done in the construction of Marina Vista Elementary
23 School which was completed back in 2008.

24 That school was built with labor compliance as
25 well as the PLA. It is one of those bureaucratic drop the

1 ball, so to speak. We do have a third party company that
2 does labor compliance, but in addition to that, we also have
3 a staff person whose responsibility it is to do labor
4 compliance -- to monitor and make sure that we adhere to
5 those codes.

6 It just so happened that, you know, at the time
7 with a small project, this person wasn't extended locally.

8 CHAIRPERSON ORTEGA: Okay. Thank you.

9 MR. PALACIOS: And I can provide for the record
10 the job description of the staff person.

11 CHAIRPERSON ORTEGA: Thank you. Are there any --
12 go ahead.

13 ASSEMBLYMEMBER BONILLA: I just had a question
14 about the project labor agreement. So the project in
15 question was done with a project labor agreement?

16 MR. PALACIOS: Because of the size of it, it did
17 not apply to it. It's \$69,000. But when we built the
18 school, which was \$25 million, we did have a project labor
19 agreement.

20 ASSEMBLYMEMBER BONILLA: I just needed that
21 clarification.

22 MR. PALACIOS: Yes.

23 ASSEMBLYMEMBER BONILLA: But on this work, it was
24 not done under the project labor agreement.

25 MR. PALACIOS: No.

1 ASSEMBLYMEMBER BONILLA: Thank you.

2 CHAIRPERSON ORTEGA: Okay. Any additional
3 questions. Okay.

4 MR. PALACIOS: Thank you.

5 CHAIRPERSON ORTEGA: All right. Can we hear from
6 the Perris Union High School folks.

7 MR. GONZALEZ: Good afternoon, Board Chairman and
8 members of the Board. I'd like to introduce myself. My
9 name is Hector Gonzalez. I'm Director of Facilities for
10 Perris Union High School District, and joining me is
11 Dr. Fred Good. He's our facilities consultant that helps us
12 with all matters facilities related in our district.

13 And I'm here today to talk to you about our
14 situation, which deals with a project we have going on at
15 Pinacate Middle School. It is our second phase of work that
16 we're doing at that school.

17 The project involves the remodel and renovation of
18 a classroom building -- single-story classroom building.
19 And our situation at that time in 2012 when we awarded the
20 project -- the project was awarded in three parts.

21 The first part was awarded in August. Second part
22 was awarded in September. Third part was awarded in January
23 of 2013.

24 So staff at that time -- at that time, our
25 district -- we didn't have a director of facilities. Our

1 purchasing department and staff at the district was in
2 charge of, you know, making sure we complied with all rules
3 and regulations, and, honestly, they dropped the ball on
4 this one.

5 They felt that the reporting -- the PWC-100 was to
6 be submitted at the end when the whole project was bid and
7 awarded. So that wasn't the case.

8 In January, when -- I had been working there as a
9 project manager -- asked, you know, hey, have we submitted
10 this paperwork. No, we haven't. So that day we submitted
11 which was January 9th of 2013.

12 So our issue deals with lack of education of the
13 PUHSD staff at that time. Also Perris Union High School
14 District had awarded a contract for labor compliance
15 monitoring for the phase two project back in January of
16 2012.

17 So staff at that time felt that by having the
18 LCP -- the third-party LCP working on the project that that
19 in some way satisfied the requirements of the PWC-100.

20 You know, 2012 is the year when they kind of took
21 it back. I think our staff was a little confused as to the
22 requirements and what we were supposed to do, but, you
23 know -- so dropped the ball. We tried to rectify it in
24 January when we submitted our PWC-100.

25 I think really important to mention is, you know,

1 steps that we have taken to ensure that this kind of
2 situation doesn't happen again.

3 One of the biggest steps that happened in our
4 district is the hiring of a full-time facilities director.
5 We didn't have one up until that point. We had one in the
6 past when our district was working on building -- or had a
7 heavy facilities construction movement going due to a bond.

8 We passed another bond in 2012 and due to that --
9 due to issues like this, our district took the step of
10 hiring a facilities director which is myself.

11 My department has full responsibility for ensuring
12 that any application that gets submitted, any requirements
13 that are due are done and follow all the rules.

14 One thing that we're doing is that all staff that
15 deals with facilities and purchasing staff or any time any
16 new requirement comes online, we all educate ourselves. We
17 go to many trainings, many conferences, try to learn as much
18 as we can about the facilities programs, and any application
19 we submit, we make sure that we're all on the same page as
20 to what needs to be submitted and when.

21 So -- and third, we have a redundant system in
22 place. The staff in my office now is really on the ball as
23 far as making sure that -- I have a clerk. Her name is
24 Arielle Griffin, and she won't put a file away until
25 everything is -- you know, all the I's are dotted and all

1 the T's are crossed.

2 Checks and balances are the purchasing department.
3 We have monthly meetings. We meet with them. We appraise
4 them of any new requirements that come up as well as they do
5 to us as far as the purchasing and the contract side. So in
6 that way, we try to do checks and balances for the system.

7 This situation's unfortunate. We're a district.
8 We try to follow the rules, and, you know, our commitment is
9 to make sure going forward that this type of situation does
10 not happen again.

11 CHAIRPERSON ORTEGA: Okay. Thank you.

12 MR. GONZALEZ: Thank you.

13 CHAIRPERSON ORTEGA: Any questions? Okay. Thank
14 you. And we'll hear from Lindsay Unified. Mr. Doria.

15 MR. DORIA: How are you doing today? I am here on
16 Lindsay Unified School District. My name's Merced Doria and
17 I'm the Director of Facilities.

18 So I'm not here today to make excuses for the --
19 you know, this requirement that we didn't -- we didn't
20 adhere to the five-day rule. Why I'm here today is to
21 explain to you how we've put things in place so it doesn't
22 happen again.

23 When this first came out, we had some changeover.
24 Our business manager was leaving. He was retiring. New
25 business manager was coming in.

1 We went back and looked at what had happened. The
2 previous business manager had started the process with the
3 PWC-100 form, didn't complete it. When the new business
4 manager came in, he realized that this hadn't been
5 completed. At that point, he completed the form.

6 Since then, what's happened is that any PWC-100
7 form that gets filled out in our district gets filled out in
8 my department. It's myself and my office manager and what
9 we do to make sure that we don't miss something with any
10 contract that is signed by the board -- at that point, the
11 contract is signed and we fill out the PWC-100 form for that
12 project.

13 Any projects that are over a thousand that don't
14 require a contract are done at the time that we do our
15 requisition.

16 And I am -- I can assure you that this won't
17 happen again in our district because we have -- it's not in
18 the business office anymore. It's in our maintenance
19 department and we know better what projects we have out
20 there and timelines and we can make sure that we adhere to
21 those five-day rules.

22 CHAIRPERSON ORTEGA: Thank you. Any questions?
23 Okay. Thank you.

24 MR. DORIA: Thank you.

25 CHAIRPERSON ORTEGA: Thank you. Thank you to

1 everyone who traveled up here to attend the meeting. I
2 think it was very helpful. I think one of the things that
3 we all wanted to hear was how the issues that led to the
4 noncompliance were addressed for any projects going forward
5 and that the overall issue of labor compliance was well on
6 the minds of folks who are working on projects, even under
7 the new requirements. So thank you again.

8 We have two separate action items before us mostly
9 because there are procedural differences. The Napa item is
10 actually an appeal, where Napa filed an appeal to come
11 before the Board. The other three are before us as a group
12 where the staff are seeking Board direction, and as you all
13 know, it takes six votes for any action to be taken on
14 either one of the action items.

15 So I will entertain any discussion or motions
16 there might be. We could start with the three as they're on
17 the agenda, the non-appeal, the staff seeking direction. Go
18 ahead.

19 MR. DIAZ: Thank you, Madam Chair. And definitely
20 appreciate the districts coming in and discussing the issues
21 that took place but also how to look at it moving forward.
22 And as you all know, the laws have changed. So hopefully
23 they're easier now to comply than some of the requirements
24 that were basically put as conditions to access funding for
25 the SFP.

1 The Board has wrestled with a lot of these issues
2 in the past. I think, you know, as Board members we look to
3 ensure that districts have the financial ability to continue
4 building these projects that are very important. We know
5 the need is out there.

6 We also understand there is a need also to comply
7 with the requirements of the program, right, and to ensure
8 that there's a balance and that there's attention that's
9 being paid to this particular priority that the Legislature
10 and the Governor have approved as a condition to access
11 money. I think it's something that we also consider in
12 looking at this.

13 But also understanding that the -- you know, the
14 hit to the school districts is going to be significant if we
15 do not provide the grant or if we look at a substantial
16 reduction in that grant. That's money that's taken from the
17 classroom as well.

18 And with that understanding, I think that the
19 Board has gotten the attention of the school districts and
20 not taking this issue as something that's not serious and
21 hopefully other school districts, as they're looking to
22 build their projects, would also adhere to the standards
23 that are set forth in the program.

24 With that comment, I would also like to make a
25 motion that we approve these projects and -- these

1 district's application but with a 5 percent reduction, which
2 would be a significant, you know, change from where we've
3 been with previous districts which was at 20 percent.

4 So I'd like to make a motion to approve it with a
5 5 percent reduction.

6 ASSEMBLYMEMBER BONILLA: Second it.

7 CHAIRPERSON ORTEGA: There's a motion and a
8 second. Is there any discussion?

9 Is there any public comment -- any additional
10 public comment on this?

11 Okay. And so I want to make clear what the motion
12 would be so that staff, since we don't have calculations in
13 front of us, the motion would be that the staff would be
14 able to release funds less 5 percent. So you can do the
15 math, I think counsel would -- yes.

16 MS. BANZON: May we have for the record the basis
17 for the 5 percent reduction?

18 MR. DIAZ: Sure. So I think in clarification,
19 what the Board has done is when there were bond funds
20 available, when we had different issues related to labor
21 compliance, we looked for bond sources that didn't have the
22 requirement and basically had forgiven that particular
23 district.

24 Then we looked at other districts and we came up
25 with a 20 percent, and one district was even higher. So we

1 basically have been in different places with the percentage
2 and I think what we're looking at here is just to ensure
3 that the districts understand this is important, but not
4 necessarily having a high reduction as 20 percent.

5 MS. BANZON: Thank you.

6 CHAIRPERSON ORTEGA: Any further discussion?
7 Seeing none, let's call the roll.

8 MS. JONES: Senator Liu.

9 SENATOR LIU: Aye.

10 MS. JONES: Assemblymember Bonilla.

11 ASSEMBLYMEMBER BONILLA: Aye.

12 MS. JONES: Nick Schweizer.

13 MR. SCHWEIZER: Aye.

14 MS. JONES: Cesar Diaz.

15 MR. DIAZ: Aye.

16 MS. JONES: Esteban Almanza.

17 MR. ALMANZA: Aye.

18 MS. JONES: Eraina Ortega.

19 CHAIRPERSON ORTEGA: Aye.

20 MS. JONES: That motion carries.

21 CHAIRPERSON ORTEGA: Thank you. And so the last
22 action item is the Napa project. So I'll open up discussion
23 on that item. Mr. Diaz.

24 MR. DIAZ: If I may, Madam Chair. I think with
25 regards to Napa who had an issue where they're dealing with

1 seismic projects and then also having to have a natural
2 disaster happen. And I think for that particular district,
3 I think they understand the importance of the prevailing
4 wage and compliance.

5 I think that what they're doing with regards to
6 preparing for -- to make sure that this doesn't happen
7 again, but also knowing that they've -- if they have a
8 reduction, that's going to take away from possible other
9 projects that they need to actually provide the safety for
10 those kids.

11 So I would like to make a motion that Napa gets
12 their appeal approved without a reduction.

13 ASSEMBLYMEMBER BONILLA: Second.

14 CHAIRPERSON ORTEGA: So a motion and a second. Is
15 there any discussion? Any further public comment on the
16 Napa item? Seeing none, please call the roll.

17 MS. JONES: Senator Liu.

18 SENATOR LIU: Aye.

19 MS. JONES: Assemblymember Bonilla.

20 ASSEMBLYMEMBER BONILLA: Aye.

21 MS. JONES: Nick Schweizer.

22 MR. SCHWEIZER: Aye.

23 MS. JONES: Cesar Diaz.

24 MR. DIAZ: Aye.

25 MS. JONES: Esteban Almanza.

1 MR. ALMANZA: Aye.

2 MS. JONES: Eraina Ortega.

3 CHAIRPERSON ORTEGA: Aye.

4 MS. JONES: And that motion carries.

5 CHAIRPERSON ORTEGA: And, Lisa, do you have
6 anything else on --

7 MS. SILVERMAN: Just our workload reports for the
8 next meeting which is in August --

9 CHAIRPERSON ORTEGA: Okay.

10 MS. SILVERMAN: -- and that wraps it up.

11 CHAIRPERSON ORTEGA: Okay. Any public comment on
12 any items not on the agenda?

13 Okay. Seeing none and seeing no comments from
14 Board members, we're adjourned. Thank you.

15 (Whereupon, at 4:47 p.m., the proceedings were
16 adjourned.)

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