#### **STATE OF CALIFORNIA**

#### DEPARTMENT OF INDUSTRIAL RELATIONS

#### **DECISION ON ADMINISTRATIVE APPEAL**

## **RE: PUBLIC WORKS CASE NO. 2013-015**

## CENTRAL VALLEY NEXT GENERATION BROADBAND INFRASTRUCTURE PROJECT

#### **CENTRAL VALLEY INFRASTRUCTURE NETWORK**

#### **I. INTRODUCTION**

On November 22, 2013, the Director of the Department of Industrial Relations (Department) issued a public works coverage determination (Determination) finding that the Central Valley Next Generation Broadband Infrastructure Project (Project) is partially funded with state monies and therefore is a public work subject to California prevailing wage requirements. On December 20, 2013, Central Valley Infrastructure Network LLC (CVIN) timely filed a notice of appeal of the Determination (Appeal) and requested a hearing. All interested parties were thereafter given an opportunity to provide legal argument and additional supporting evidence.

The Director has sole discretion to decide whether to hold a hearing. (Cal. Code Regs., tit. 8, § 16002.5, subd. (b).) Because the material facts are not in dispute and the issues raised on appeal are solely legal, the request for a hearing is denied.

All of the submissions have been considered carefully. For the reasons set forth in the Determination, which is incorporated into this Decision on Administrative Appeal (Decision), and for the additional reasons stated below, the Appeal is denied and the Determination is affirmed.

#### II. FACTS

The facts set forth in the Determination are incorporated herein by reference and are supplemented as follows:

## A. The Central Valley Independent Network, the Corporation for Education Network Initiatives in California, and the Central Valley Next Generation Broadband Infrastructure Project.

CVIN is a joint enterprise of eight rural independent telephone companies located in central and northern California. Through state, federal, and private funding sources, CVIN and its nonprofit partner CENIC<sup>1</sup> are building the Project, a 1,371 mile fiber-optics network infrastructure that will provide robust open access network capabilities to 18 California counties. The infrastructure is comprised of 720 miles of new construction and 128 miles of new fiber in CVIN member-company conduits, with the remaining 523 miles comprised of existing fiber in CENIC and CVIN member-company networks.

According to CVIN's application for federal grant money, outside contractors will construct the fiber infrastructure, including placement of the underground conduit, installation of the microduct and fiber, and splicing of the fiber. CVIN member-companies' internal workforces or other contractors will construct any necessary towers, perform cabinet/hut site improvements, place cabinets/huts, and install back-up power systems, middle mile fiber network equipment, and the last mile wireless nodes.

### B. The California Advanced Services Fund.

On December 20, 2007, the California Public Utilities Commission (CPUC) created the California Advanced Services Fund (CASF) to encourage the deployment of broadband services in unserved and underserved areas by providing matching funds for infrastructure projects. In 2008, the Legislature enacted Senate Bill No. 1193 (Stats. 2008, ch. 393) (SB 1193) establishing CASF within the State Treasury and authorizing the collection and disbursement of CASF funds.

<sup>&</sup>lt;sup>1</sup> CVIN's nonprofit partner, the Corporation for Education Network Initiatives in California (CENIC), was created by five California universities. For CVIN's appeal, CENIC clarifies that it collaborated on the Project as a sub-grantee for its end-user network equipment, with CVIN serving as the lead applicant for Project funding. CENIC contends that it is not an awarding body, contractor or subcontractor on the Project and that it has no ownership interest in CVIN. Further, CENIC takes no position on the coverage issue. This factual description of CENIC supersedes that given in the Determination to the extent the two conflict.

In the course of administering CASF, CPUC exercised its authority to issue resolutions prescribing CASF program conditions for grant recipients. These conditions include requiring recipients to comply with the California Environmental Quality Act (CEQA), to report on project progress, and to allow the CPUC to inspect accounts, books, papers, and documents related to the CASF application and award.

## C. The Broadband Technologies Opportunity Program.

The American Recovery and Reinvestment Act ("ARRA") provided the Department of Commerce's National Telecommunications and Information Administration ("NTIA") with \$4.7 billion through the Broadband Technologies Opportunity Program ("BTOP") to support the deployment of broadband infrastructure, enhance and expand public computer centers, encourage sustainable adoption of broadband service, and develop and maintain a nationwide public map of broadband service capability and availability. As a condition of receiving BTOP funds, grant recipients must comply with various ARRA, BTOP, and general NTIA reporting and recordkeeping requirements.

### D. BTOP and CASF funding for CVIN's Broadband Project.

The total estimated cost for the Project is \$66,599,668. CVIN sought BTOP and CASF money to cover the majority of the costs. NTIA ultimately awarded \$46,619,757 in BTOP funds, which represented roughly 70% of the Project's total estimated cost. CPUC also approved \$6,659,967 in CASF funds, about 10% of the total cost. CVIN secured private funding for the Project's remaining costs.

### **III. CONTENTIONS ON APPEAL**

On appeal, CVIN offers three main reasons why it believes the Determination is erroneous.

CVIN claims that the Project is not a public work because the "public funds" and "under contract" elements of section 1720, subdivision  $(a)(1)^2$  are missing from this case. CVIN sees no public funds for the Project because the original sources of CASF funding

<sup>&</sup>lt;sup>2</sup> All further statutory references are to the California Labor Code, unless otherwise indicated.

at the State Treasury are telephone company ratepayers. CVIN also argues that it does not have a construction contract with a state or local governmental entity nor is it a contractor or subcontractor executing a public works contract within the meaning of sections 1722.1 and 1772.

CVIN next claims that the Project is not a public work by relying on an exception for "work done directly by a public utility company pursuant to order of the Public Utilities Commission or other public authority." (§ 1720, subd. (a)(1).) While conceding CPUC did not require CVIN to take on the Project, CVIN argues the exception applies based chiefly on CPUC's supposed approval of CVIN's proposed tariff schedule related to pricing plans for broadband services.<sup>3</sup> CVIN states the resolution granting it funding for the Project also approved CVIN's proposed tariff schedule and required it to complete a CEQA review, post a performance bond, and allow CPUC to inspect its accounts.

CVIN finally contends that California prevailing wage rates do not apply because the Project is federally funded and not controlled or carried out by any state or local governmental authority. CVIN instead insists that the Project is controlled or carried out by NTIA, a federal agency.

## **IV. DISCUSSION**

# A. The Project entails construction work that is done under contract and paid for in part out of public funds.

## 1. "Work done under contract" need not be a construction contract between CVIN and an awarding body.

Section 1720, subdivision  $(a)(1)^4$  provides, among other things, that construction and installation work done under contract and paid for in any part out of public funds is a public work. CVIN argues that the "under contract" element of subdivision (a)(1) is missing because it does not have a construction contract with any city, state, or local governmental entity that is an "awarding body" within the meaning of the California

<sup>&</sup>lt;sup>3</sup> For the CPUC order underlying the public utility exception, CVIN cites CPUC Resolution T-17295, Funding Approval for the Broadband Project from the CASF, October 14, 2010. CVIN also cites, to a lesser extent, CPUC Decision 17-12-054 (December 20, 2007), which created CASF to encourage the deployment of broadband services to unserved and underserved areas of the State and authorized CASF to provide grants to telephone corporations. SB 1193 codified CPUC's creation of CASF and statutorily authorized the collection and disbursement of CASF funds.

<sup>&</sup>lt;sup>4</sup> All further subdivision references are to subdivisions of section 1720, unless otherwise indicated.

Prevailing Wage Law (CPWL). CVIN adds that CPUC is not an "awarding body" as that term is defined in section 1722. By comparing subdivision (a)(1) with sections 1720.2 and 1720.6 – which define certain types of public works as "work done under private contract," CVIN surmises that "work done under contract" in subdivision (a)(1) was actually intended to mean "work done under contract *with a public entity*."

CVIN, however, misconstrues the "under contract" language in subdivision (a)(1). The phrase does not require CVIN to have a construction contract with a public entity or awarding body. The Supreme Court analyzed the meaning of work done under contract in *Bishop v. City of San Jose* (1969) 1 Cal.3d 56, 63-64. *Bishop* concluded that, by using the "under contract" language, the Legislature intended to exclude the situation where the public agency was using its own employees to carry out the construction. The Legislature later codified the *Bishop* decision by amending section 1771 to expressly exclude "work carried out by a public agency with its own forces." (Stats.1974, ch. 1202, § 1); (see also *Azusa Land Partners, LLC v. Department of Industrial Relations* (2010) 191 Cal.App.4th 1, 20 (*Azusa*) [statutory requirement means that work only must be done "under contract (i.e., not by the public entity's own employees)"] and *O.G. Sansone Co. v. Dept. of Transportation* (1976) 55 Cal.App.3d 434, 459, fn. 5.)

The work at issue is being done under contract. CVIN concedes in its reply brief that it hired "independent contractors and contractors" to perform at least some of the work. Furthermore, CVIN's application for BTOP funding indicates it "will utilize outside contractors to install the majority of the 1371-mile fiber infrastructure including placement of the underground conduit, installation of the microduct and fiber, and splicing of the fiber." (See *CVIN's Broadband Infrastructure Application to NTIA*, p. 51, March 26, 2010.) Those contracts between CVIN and construction contractors satisfy the "under contract" element of subdivision (a)(1). In addition to using outside contractors, CVIN's application explains that it "will also accept bids to contract with Member companies' internal workforces to provide fiber installation services" and "contract with Member companies' internal workforces to provide cabinet/hut site improvements, placement of cabinets/huts, installation of back-up power systems, and installation of

middle mile fiber network equipment."  $(Ibid.)^5$  These contracts also satisfy the "under contract" element of the statute.

The Department has repeatedly explained the meaning of "under contract" in previous coverage determinations. (See, e.g., PW 2005-025, *Canyon Lake Dredging Project, Lake Elsinore and San Jacinto Watersheds Authority*, (June 26, 2007) (*Canyon Lake Dredging*) and PW 98-005, *Goleta Amtrak Station* (November 23, 1998).) As was observed in *Canyon Lake Dredging*, subdivision (a)(1) "only requires that the [work] be done under contract, not that the contract be awarded by any public entity. The Attorney General has interpreted section 1720(a) as applying when public funds are used to reimburse construction costs irrespective of whether the construction contract was awarded by a public 'awarding body.' (Op.Atty.Gen. No. 99-804, 83 Ops. Atty. Gen. 231 (October 23, 2000) at pp 4-5.)" (Cf. *Hensel Phelps Construction Co. v. San Diego Unified Port District* (2011) 197 Cal.App.4th 1020, 1033 [rejecting argument that the "under contract" element was missing on hotel project where developer's contract with the public entity was a lease rather than a construction contract].)

### 2. CASF funds are public funds.

Aside from arguing that the work at issue is not being done under contract, CVIN contends that CASF funding is not public funding for purposes of subdivision (a)(1) because the funds originate from "fees paid by private consumers and collected by telecommunications carriers in exchange for broadband services" and "no federal or State funds ever enter the coffers of the State or a political subdivision." (CVIN Appellate Brief, pp. 23-24.) A common sense view of the facts belies those contentions.

CASF was created as a fund within the State Treasury. (Pub. Util. Code, § 270.) "All moneys collected by the surcharge . . . shall be transmitted to the commission," which, in turn, "shall transfer the moneys received to the Controller for deposit in the California Advanced Services Fund." (Pub. Util. Code, § 281, subd. (d)(1).) The Legislature directed that CASF money be spent on "infrastructure projects that will provide broadband access to no less than 98 percent of California households."

<sup>&</sup>lt;sup>5</sup> CVIN in its reply brief suggests that its own employees "performed all of the fiber installation work on the Broadband Project." Exactly what work was performed by what employees is better left to the enforcement process.

(Pub. Util. Code, § 281, subd. (a).) CASF money resides in the State Treasury, is controlled by the State Controller, and is collected and expended from the State Treasury according to directive by CPUC. CASF is no different from the numerous special funds created within the State Treasury that are appropriated for limited purposes defined by law.<sup>6</sup>

CVIN cites PW 2002-042, East Campus Student Apartments, University of California - Irvine (July 28, 2006) (East Campus Student Apartments) for the proposition that where funds do not enter public coffers, there is no public subsidy under subdivision (a)(1). East Campus Student Apartments is inapposite, however, because the bond revenues in that case, in fact, did not enter public coffers. In contrast, CASF funds here do enter public coffers-those of the State Treasury. The Department has long found in coverage determinations that where funds enter public coffers and then are disbursed for work under section 1720, they are "public funds" within the meaning of section 1720. (See, e.g., Tustin Fire Station, Tustin Ranch PW 93-054, (June 28, 1994) (Tustin Fire *Station*) [fees collected from downstream developers and deposited in city coffers then disbursed to the current developer are "public funds" within the meaning of section 1720]; see, also, McIntosh v. Aubry (1993) 14 Cal.App.3d 1576, 1590 [under former section 1720, inspection cost waivers are not public funds because they "involve no payment of funds out of county coffers"].) CASF funds may have originated in surcharges on private parties, much like the fees in *Tustin Fire Station*. Once they enter the State Treasury, however, they become public funds and, when disbursed for the work undertaken in the Project, qualify as a public subsidy under subdivision (a)(1).

#### 3. It is irrelevant that CVIN is not a construction contractor.

CVIN does not dispute that there are workers employed by CVIN's contractors and subcontractors on the Project. CVIN nonetheless argues that the CPWL does not

<sup>&</sup>lt;sup>6</sup> In *California Med. Ass'n v. Brown* (2011) 193 Cal.App.4th 1449, a Department of Finance program budget manager explained how special funds work: "Governmental Cost Funds consist of those funds that receive revenues derived from taxes, licenses, and fees. Expenditures of these Governmental Cost Funds represent the cost of operating the State government. There are two major fund types which comprise the Governmental Cost Funds. These two fund types are the General Fund and Special Funds. [¶] The General Fund is the main operating fund of the State, consisting of moneys that are not required by law to be deposited into any other fund." Special Funds like the [CASF] "are used to account for resources that are legally restricted for particular functions or activities of government." (*Id.* at p. 1454; see also California Manual of State Funds, Fund 3141.)

apply to the Project because CVIN is neither a contractor nor subcontractor executing a public works contract within the meaning of sections 1722.1 and 1772. But section 1720 requires only that construction and other related work be done under contract and be paid for in any part out of public funds. All those requirements under section 1720 are met and so, whether CVIN itself is a "contractor" or "subcontractor" is irrelevant.

### B. Section 1720(a)(1)'s public utility exception does not apply.

Although a project is a public work, an exception is made for "work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority." (§ 1720, subd. (a)(1).) CVIN claims that it is a telephone corporation and, by extension, a public utility company. Further arguing that the Project is built pursuant to an order of the CPUC, CVIN concludes the Project is specifically exempted from the definition of public works. CVIN, however, cannot claim this exception, because the work is not done pursuant to a CPUC order.

For the CPUC "order" required under the public utility exception, CVIN cites the CPUC resolution granting CASF funds for the Project, supposedly approving CVIN's tariff of prices for broadband services, and listing conditions for the grant that included a CEQA review, a performance bond, and CPUC access to CVIN records. CVIN also relies, to a lesser extent, on the CPUC decision that implemented CASF and the statutes directing CPUC to establish CASF. (Pub. Util. Code, §§ 270 and 281, subd. (a)(1).)

The public utility exception goes back nearly a century and predates the enactment of the California Labor Code. (See Stats. 1931, ch. 397, § 4.) A part of the statute since that time, the word "order" has never been defined in the statute. With no statutory definition available, the words of a statute are given their usual and ordinary meaning. (*In re Lucas* (2012) 53 Cal.4th 839, 849.) Dictionary definitions can aid in determining the usual and ordinary meaning of a statutory term. (*McIntosh v. Aubry, supra,* 14 Cal.App.4th at p. 1588; *Oxbow Carbon & Minerals LLC v. Department of Industrial Relations* (2011) 194 Cal.App.4th 538, 549.) A dictionary definition of "order" states: "*Law.* A. In its widest sense, any command or direction of a court. B. Usually, any direction of a judge or court entered in writing and not included in a judgment or decree." (Webster's 2d New Internat. Dict. (1934), p. 1716.) A similar definition appears in the subsequent edition of that dictionary. (Webster's 3d New

Internat. Dict. (1986), p. 1588.) As can be seen, "the word does connote the imposition of a command or direction." (PW 2005-039, *Kiwi Substation – Orange County Water District* Decision on Administrative Appeal (January 29, 2008) (*Kiwi Substation*).)

Hence, in determining whether work was done pursuant to a CPUC order, identifying CPUC's "substantive requirements relating to the construction is the critical inquiry." (*Kiwi Substation*.) As reflected in CVIN's portrayal of the Project in its applications for funding, the Project was undertaken by CVIN to expand broadband infrastructure in California's Central Valley. In establishing CASF, CPUC may hold the same goal of expanding broadband infrastructure in unserved and underserved areas in California, but CPUC is only requiring CVIN to perform work on the Project as a condition of providing CASF funding. Had CVIN not applied for and received CASF funding, CPUC would not require CVIN to perform any work on the Project. The public utility exception turns on "whether CPUC commanded or directed the performance of the work, not on how the work was financed." (*Ibid*.)

In light of *Kiwi Substation*, CVIN's insistence that CPUC's resolution authorizing funding and allegedly approving a tariff schedule is enough to be an "order" for subdivision (a)(1)'s purposes, misses the mark. "CPUC's funding authorization cannot be accepted as a type of CPUC order reasonably contemplated by the public utility exception in section 1720(a)(1)." (*Kiwi Substation*.) Outside of the agreement for CASF funding, there are no "legal requirements imposed by 'the Public Utilities Commission or other public authority' commanding or directing the construction" of the Project by CVIN or any other entity. (*Ibid*.)

Because work on the Project is not done pursuant to a CPUC order, the public utility exception cannot apply.<sup>7</sup>

### C. Department's regulation does not prevent application of the CPWL.

CVIN's final argument is that the CPWL does not apply because the Project is federally funded and controlled or carried out by a federal authority. To support its

<sup>&</sup>lt;sup>7</sup> This result comports with the rule of statutory construction that statutory exceptions are to be read narrowly. (*City of Lafayette v. East Bay Mun. Utility Dist.* (1993) 16 Cal.App.4th 1005, 1017.) Also, because the work is not being done pursuant to a CPUC order, no need exists to address whether the work here is "done directly by any public utility company" as required by subdivision (a)(1). The Department's longstanding view is that the exception applies only to work being done by a utility's own forces. (See, e.g., PW 92-020, *PG&E Agreement for Monterey Road Undergrounding, City of Morgan Hill* (March 5, 1993.)

argument, CVIN relies on misinterpretations of California Code of Regulations, title 8, section 16001(b)<sup>8</sup> and the Court of Appeal decisions in *Southern Cal. Lab. Management etc. Committee v. Aubry* (1997) 54 Cal.App.4th 873 (*Seven Oaks Dam*) and *Southern Cal. Labor/Management Operating Engineers Contract Compliance Committee v. Rea* (2007) 2007 WL 417498 (*Casmalia*). For the reasons explained below, this argument must be rejected.

## 1. The Project is not under the complete control of the federal government.

Section 16001(b) provides for California prevailing wage rates on federally funded or assisted projects that are controlled or carried out by California awarding bodies. This regulation addresses the limited class of federal projects where the federal government has completely relinquished control to a California awarding body. If the federal government retains control and awards the contract, under the holding in *Seven Oaks Dam*, the CPWL does not apply. Federally funded or assisted projects "controlled by, carried out by, and awarded by the federal government are not subject to [state prevailing wage rates], even if it requires a higher wage than [the Davis-Bacon Act]." *(Seven Oaks Dam, supra,* (1997) 54 Cal.App.4th at p. 883.) The *Seven Oaks Dam* court found that result consistent with the Department's regulation. (*Id.* at pp. 883-886.)

Despite CVIN's assertion to the contrary, the Project is not controlled by, carried out by, nor awarded by the federal government. A prior coverage determination noted that the phrase "controlled or carried out" is not defined in the regulations and consequently looked to dictionary definitions to discern the meaning: "Control' is defined as the 'power or authority to guide or manage' and 'carry out' is defined as 'to put into execution; to bring to a successful issue; to continue to an end or stopping point." (PW 2010-031 *Construction of Fire Station - North Fork Rancheria of Mono Indians of California - County of Madera* (June 6, 2011) [citing Webster's 3d New Internat. Dict. (2002) pp. 344 and 496].)

Under those definitions, neither NTIA nor CPUC can be characterized as controlling or carrying out the Project. While both agencies are responsible for ensuring

<sup>&</sup>lt;sup>8</sup> All further references to regulatory provisions are to title 8 of the California Code of Regulations, unless otherwise indicated.

that the Project complies with the requirements associated with their respective grant programs, neither agency is involved in the Project's day-to-day construction activities. Indeed, once the grant money is disbursed to CVIN, both agencies' involvement in the Project is limited to ensuring compliance with requirements of an administrative nature, such as recordkeeping and reporting.

NTIA's role in the Project is distinguishable from the federal government's role in *Seven Oaks Dam*. In *Seven Oaks Dam*, the federal government completely "carried out" the project. The federal government was "given ultimate authority over actual construction, financial audits, paying the construction companies . . . and determination that [the] project was complete." (*Seven Oaks Dam, supra*, 54 Cal.App.4th at p. 886.) Here, NTIA does not have ultimate authority over actual construction nor does it pay the construction companies or determine when the project is complete. Under the BTOP program, NTIA is primarily acting as a federal agency that distributes grants without day-to-day involvement in any of the projects for which it has provided federal assistance. Given NTIA's limited oversight, the Project is decidedly not "under the complete control of the federal government." (*Ibid.*)

In circumstances like this one, where a federally assisted project is neither under the complete control of the federal government nor a California awarding body, the regulation in section 16001(b) is not even contemplated. Coverage under the CPWL is thus determined exclusively under the statute. Since the statutory requirements of section 1720 are satisfied without any applicable exemptions, the CPWL applies to the Project.

# 2. Language quoted from the unpublished Casmalia decision is not crucial to its holding and is therefore dicta.

Although the regulation in section 16001(b) is not implicated in this case, CVIN nevertheless reads section 16001(b) to exempt from the CPWL federally funded projects not controlled or carried out by a California awarding body. For its interpretation of section 16001(b), CVIN relies on the unpublished, noncitable decision in *Casmalia*, which upheld a Department determination in PW 2001-046, *Casmalia Resources Hazardous Waste Management Facility* (March 30, 2005). Apart from being noncitable, *Casmalia* did imply in dicta the converse of the regulation in section 16001(b) under the principle of statutory construction, "*expressio unius est exclusio alterius*." The *expressio* 

*unius* principle, however, "applies only when the Legislature has intentionally changed or excluded a term by design." (*Silverbrand v. County of Los Angeles* (2009) 46 Cal.4th 106, 126) ["it does not appear the Judicial Council ever considered, let alone specifically rejected, application of the prison-delivery rule to civil cases."].) CVIN presents nothing to show that, in its authority to promulgate regulations implementing the CPWL (see § 1773.5, subd. (a)), the Department by design sought to prevent applications of California prevailing wage rates to any federally funded public work project that are not controlled or carried out by a California awarding body.

Furthermore, *Casmalia* mentioned the converse of the regulation under the *expressio unius* principle only in passing.<sup>9</sup> *Casmalia* would have reached the same decision, had mention of *expressio unius* been omitted. Instead, critical to the decision was the *Casmalia* court's analysis of the project under the statute and its conclusion that "the record fails to demonstrate that public funds were used to pay for 'construction' or related work as defined in section 1720." (*Casmalia, supra,* 2007 WL417498 at \*6.) Since the regulation in section 16001(b) is not implicated here, a determination of whether the CPWL applies must likewise be analyzed under the statute.

NTIA appears to agree that state prevailing wage rates should apply on this Project, because in a BTOP Davis-Bacon Act Requirements fact sheet, NTIA states that: "In cases where state wage rates (determined under state statutes often called 'Mini-Davis-Bacon Acts') are higher than the Federal wage rates, the state wage rates take precedence and should be included in contracts in lieu of the lower Federal wage rates." And although not dispositive of the issue, CVIN also previously admitted that state prevailing wage rates apply, when it stated in an e-mail to NTIA that CASF funding "requires compliance to [sic] State prevailing wage rates."

California courts have cautioned that the prevailing wage law is "liberally construed to further its purpose." (See *Azusa, supra*, 191 Cal.App.4th at p. 15.) As the Project meets all the requirements for a public work under subdivision (a)(1), a finding that California prevailing wage rates apply comports with a liberal construction.

<sup>&</sup>lt;sup>9</sup> The relevant part of the *Casmalia* decision is as follows: "Accordingly, this regulation contemplates that federally funded or assisted projects not controlled or carried out by a California awarding body are not subject to the PWL. [¶] The Ford contract, however, is not subject to the PWL for a more fundamental reason. The remediation project cannot be a 'public works' unless it is 'paid for in whole or in part out of public funds.' (§ 1720, subd. (a)(1).)" (*Casmalia, supra,* 2007 WL 417498 at \*5.)

#### V. CONCLUSION

In summary, for the reasons set forth in the Determination, as supplemented by this Decision on Administrative Appeal, the Appeal is denied and the determination that prevailing wages are required for the construction of the Central Valley Next Generation Broadband Infrastructure Project is affirmed. This Decision constitutes the final administrative action in this matter.

Dated: 1/142015

Saler

Christine Baker, Director