

**REPORT ON THE ACTIVITIES OF
THE CALIFORNIA STATE
LEGISLATURE
FOR THE YEAR 2009**

**PRESENTED TO:
THE ENGINEERING
CONTRACTORS' ASSOCIATION
(ECA)**

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OVERVIEW OF THE 2009 LEGISLATIVE SESSION

Without a doubt the 2009 Session of the California State Legislature will go down as one of the most challenging in the history of the state. Due to the state's continuing revenue decline, the Legislature and governor have had to struggle to overcome a budget deficit which now totals \$60 billion since the fall of 2008. To make matters worse, since this past September (2009) the state's revenues have declined an additional \$1.5 billion BELOW a projected \$7.4 billion deficit! Clearly this continuing spiral cannot continue, but how do you stop it?

While it's easy to pontificate about the causes and potential cures, let me take a moment to discuss briefly how we got into this mess and then discuss some possible cures. First, however, let me discuss some positives that are directly attributable to the current budget woes.

The Capitol's gridlock was so pervasive this year that the actual volume of legislation dropped significantly. Indeed, "just" 872 bills were sent to the governor which was the lowest number in the four decades that veteran legislative staffer Peter Detwiler (who happens to be a good friend) has compiled data and which is scarcely half the number that Ronald Reagan received in 1967, the first year of his governorship. To further "drive home" this point, normally the state Chamber of Commerce issues a list of 33 "job killer" bills, but just six of them got to the governor this year and, thankfully, he rejected all six of them. Indeed, with recession clobbering the state, even liberal Democrats were hesitant this year to be seen as damaging the business climate by "jamming bad bills through the system!

The Problems That Have Caused the Deficit

To help "get our arms around the problem" let me begin by saying that there are four aspects to the state's chronic fiscal dilemma – societal, financial, political and mandates due to the initiative process:

- 1). The first stems from California's immense geographic, economic and cultural diversity. It's nearly impossible to find consensus on anything, not just on the budget-related issues of taxes and services, but on water, education, transportation and many other long-unresolved matters. Californians want high levels of services, at least the services they and others in their socioeconomic strata use, but are leery of taxes, especially those they would pay.
- 2). The second aspect is that California, due to interlocking political and socioeconomic factors, has a lopsided revenue system, dependent on personal income taxes for more than half its general fund revenue and just 1 percent of taxpayers, whose incomes are tied

to the stock market, for half of those income taxes. The state rides a roller coaster of revenue that soars when the economy jumps and plummets when it sours, leading to binges of spending and tax cuts, followed by deficit hangovers.

Let me expound on this revenue side a bit more. In 2006, according to the Franchise Tax Board, Californians making more than \$500,000 a year filed just 1 percent of all state income tax returns -- and paid 47.2 percent of the taxes. That works out fine for the state treasury when the economy is humming along, since wealthy taxpayers derive much of their income from capital gains and investments. But when stock markets sag, so do the incomes of many wealthy taxpayers -- and that has a major impact on state income tax revenues.

Since California relies so heavily on those revenues -- more than half of general fund income comes from income taxes -- it makes state government extremely susceptible to swings in the economy. "When the market tanks, those taxpayers sneeze," said H.D. Palmer, a veteran spokesman for the Department of Finance. "And when those taxpayers sneeze, the state budget catches pneumonia."

3). The third factor is a political system that shuns political moderates and sets up conflict between liberal Democrats and conservative Republicans, flavored by constitutional requirements for two-thirds legislative votes on the budget and raising taxes.

4). The fourth is due to direct democracy, or rather, the initiative process that has allowed voters to approve so many mandates on the state's spending that, literally, the Legislature only has discretion on about 7% of the state's budget! Indeed, remember voting for Proposition 98 back in 1988 to help ensure that education maintained a relative steady stream of funding? This measure alone mandates that nearly 50% of the state's budget automatically must go to education each year! Couple this with the voter's approval of "the 3-strikes" initiative which locks in another 20%, and, well, you now get the message! As I previously mentioned, the combination of these "ballot box mandates" constitutes the vast majority of the state's budget!

To make matters worse, the initiative process is a layer that has thickened considerably in the past 31 years. There have been 127 initiatives on the California ballot since 1912 that had to do directly or indirectly with government finance, according to an analysis performed by the Sacramento Bee. Of those, 59 were on the ballot in the first 67 years; 68 in the past 31. On top of that, governors and legislators have placed a sizable herd of budget-related measures on the ballot - last May's special election being a prime example. And, like so many elements of the state's current economic troubles, budgeting by ballot box has its roots in Proposition 13.

So, What's the Solution?

While both the political will and a desire to compromise may be lacking, there is no shortage of proposed solutions to various aspects of state government's financial woes. In addition to a special commission on tax reform appointed by Gov. Arnold

Schwarzenegger and legislative leaders, two reform groups have put forward suggested fixes to the tax system and budget process.

Here's a look at some of the ideas being floated:

- Shift more of the personal income tax burden from wealthy taxpayers to the poor and middle class, so state revenues have less volatility when financial markets rise or fall (this will likely be a non-starter).
- Lower state sales tax and eliminate corporate income tax, and replace them with a "business net receipts tax." The tax would be levied on companies' gross revenues, minus the cost of goods and services bought from other firms (this will likely be a non-starter).
- Lower the two-thirds approval required for legislative passage of a budget while retaining it for tax increases (this will likely be a non-starter).
- Change the annual budget system to a two-year cycle to allow more planning.
- Require any new spending proposal to identify a specific funding source.
- Mandate that state programs annually justify their costs or risk losing their funding (zero-based budgeting).
- Allow local governments and schools to pass tax increases for specific programs by majority rather than two-thirds votes.
- Ask voters to approve California's first constitutional convention since 1878 – a convention where the budget process and tax reform almost certainly would arise.
- Here are a couple more ideas being tossed around: Ban public employee unions - All of them. Make them illegal and scrap their agreements. Convert all public pensions to 401k plans. Completely disburse all pension funds to individual holders. While these ideas may curry favor with many, let me remind you however that the largest contributors to the Democrats (who are far and away the majority party) are public worker unions! Furthermore, I question whether the courts would ever allow it.

While all of the aforementioned ideas have significant merit, the fact remains that point Number 1 of my problems section answers the BIGGEST problem that we truly face: **Californians want high levels of services, at least the services they and others in their socioeconomic strata use, but are leery of taxes, especially those they would pay.**

So until we can address this barrier, the state may continue to spiral downhill! In other words, as with the current debate on the water issue (and so many more), this problem won't be solved by political business as usual, where the two parties dig in their heels and accomplish nothing. It's going to take non-partisan leadership – people who are willing to

put the future of California first – and work for comprehensive reform. More fiscal triage is coming in the months ahead. The choices won't be getting any easier. But California also needs a fundamental review of its tax structure, its spending priorities and governance. The 21st century is well under way. This state cannot afford to wait any longer to catch up with its future!!!

Infrastructure Should Be at the Forefront of All Discussions About California's Future!

While I'm on major issues that need to be addressed, let me touch on one that should be near and dear to every contractor's heart - infrastructure! "California may need a half-trillion dollars to expand and upgrade transportation systems, schools, water delivery and other infrastructure during the next 20 years but the state's system for financing public works is "seriously flawed," the Public Policy Institute of California (PPIC) says in a new report.

With constraints on taxes, including super-majority votes in the Legislature and among local voters, state and local governments rely on general obligation (GO) bonds whose repayment must compete with other claims on public treasuries. But, PPIC's report says, GO bonds are a "mixed blessing" and repaying the large amounts of money needed for infrastructure are beyond the capacity of state and local budgets without alternative financing.

"The Obama administration may include funding for state infrastructure projects in an economic stimulus package," Ellen Hanak, PPIC research director and author of the report, said in a statement accompanying its release. "But California needs a long-term solution. There's an opportunity here for the state to rise to the challenge and improve the way we finance the investments in our future."

To follow up on this comment, based upon everything I've seen and read, the Obama administration's economic stimulus funding for California has been a virtual bust, meaning that we truly MUST find a way to address the \$500 billion in infrastructure needs for California, not only to provide for adequate public services, but to "kick-start" the 3rd largest job producer in this state - construction! Indeed, I've heard it said by numbers' folks many times that for every dollar placed into infrastructure at least two are returned back into the community!

So How do We Pay For It?

Lowering the vote threshold on local school bonds from two-thirds to 55 percent, which resulted in a dramatic increase of voter passage and the report suggests, among other steps, that the same change occur on other local government bond issues as well. Another step proposed in the report is to return to reliance on user fees, such as gasoline taxes.

Both of these "solutions" come with their own "serious baggage" including the points that lowering the vote requirements to 55% still requires a higher burden of taxes to pay for it.

Furthermore, increasing gasoline taxes, for example, is a regressive tax that hurts the disadvantaged (which I have heard time and again in the Capitol whenever this idea is suggested).

What is the bottom line? There is no easy solution, but at some point, which I hope is sooner rather than later, we are going to have to "bite the bullet" and "git 'er done!"

For a full copy of the PPIC Infrastructure report, please go to:
<http://www.ppic.org/main/publication.asp?i=863>

Other Reforms Needed to Ensure California's Future

In addition to all of the previous budget reforms that I discussed, there are also political reforms that are badly needed to "break the logjam" in Sacramento. Following are some of the largest needs (note, these were in my report from last year as well - the needs still haven't changed!):

1). Change to an Open Primary

Californians have nonpartisan local governments, but state government is polarized between the Democrats and the Republicans. In an open primary, the parties would no longer winnow the candidates. Instead, the top two vote-getters in the primary would face off in a general election regardless of their party affiliation. This could put considerably more competition into legislative races, because the two highest vote gatherers in a primary would then be forced to face-off in the general election, which could go a long way towards eliminating the "extreme" legislators.

I'm happy to report that the question of whether open primaries should be allowed will again be brought before the voters in 2010, thanks to a concession to Senator Abel Maldonado this past February by the Democrats who bartered the senator's vote on approving the budget in exchange for placing the question before the voters. I should note that both parties absolutely hate open primaries, because it potentially affects the outcome of many seats. Furthermore, the issue has been brought before the voters once before and was successful, BUT was overturned by the courts. So the question becomes not only whether the voters will approve the measure, but will it pass muster by the courts.

2). Modify Term Limits

Let's face it, term limits were promoted and ultimately approved by the voters back in 1990 as a method to once and for all remove Assembly Speaker Willie Brown from office. While the sponsors' goals were certainly achieved, few people involved with the political process (including most of those that supported term limits back then) in any way continue to support term limits as they currently exist. Whether the term limit modification means that a legislator can remain for say 12 years in one legislative house without being allowed to run in the other, or whether it means a complete reversal of the

present term limit law, something has to be done.

First and foremost, having spent my past 36 years working in and around the Capitol, I can tell you that term limits has created a 365 day a year campaign which literally starts the day after a legislator is elected to his new office. Since new legislators immediately know they have a finite amount of time in office, they start running their next campaign almost before the final election count has been declared on the race they've just finished!

As bad as this is (since their attention is focused on running for office rather than serving their constituents), we have absolutely lost all forms of institutional memory since by the time a legislator learns about a subject in detail, they are now termed out! Guess who has the institutional memory – lobbyists such as I who have the 36 years “around the halls!” While this is great for me since I have legislators literally “banging on my door” for guidance, this just further broadens the gap in the Legislature because legislators are listening to lobbyists (who all have their own agendas, namely the interests of their clients in mind) instead of representing the best interests of the population often times.

There is also one other vital necessity to representing their constituency that's been lost as a result of term limits – camaraderie. Up until the time that we lost the last of the pre-term limit legislators, much of the Capitol's work was done after hours. Legislators, lobbyists and other interested parties would meet after hours in local “watering holes” around the Capitol. Besides being an opportunity to “wash away” the “trail dust”, it gave Democrats and Republican legislators a chance to meet with each other and truly get to know one another. So too, it gave them a chance to discuss issues/problems informally and often to learn “all sides” unofficially. This also applied to issues such as the annual budget. While many times views/opinions did not change completely over a cocktail, at least the camaraderie that resulted ultimately allowed for a compromised solution; meaning that usually only a few extra days were spent finding a solution to the budget rather than the months that were spent this year!

Moving back into the present, you can now literally walk into any of these old “watering holes” and most times there won't be any legislators around and if by chance there are, the likelihood is that they aren't from opposite parties talking together. No wonder we can't pass a budget; and, when it finally does pass, it is so badly flawed (in an attempt to bridge this great divide) that it is “upside down” before the ink has dried! So too, no wonder that we can't get the two sides together to find a reasonable solution to statewide problems that we face such as water, upgrading our sewers and treatment plants, transportation, future growth, etc.

3). **Initiative reform**

Many critics of the initiative process believe it should be more difficult to place measures on the ballot and pass them; or, as another option, that legislators should get a chance to suggest amendments before proposals go to the voters. Another idea: require any proposal that spends money to include a way to pay for itself, either by raising taxes or redirecting current spending.

As Sacramento Bee political columnist Dan Walters noted: *“When early 20th century progressives designed California's ballot initiative process, they envisioned that it would act as a safety valve, enabling citizens to supplement the work of the Legislature when it failed or refused to act, according to an exhaustive new study of the phenomenon by the Southern California-based Center for Governmental Studies. Today's initiative process, however, has outstripped this vision. An emerging culture of democracy by initiative is transforming the electorate into a fourth and new branch of government.”*

While the initiative process may be a right of the people, the fact remains that it has unfortunately become a process by which well-funded interest groups, such as the teachers' union for example, can afford to pay \$2 or more per signature obtained in front of grocery stores and other populated locations. Once they've gathered the required number of signatures, they often then spend an incredible amount of money to advertise what are often half truths and/or misleading messages to convince the voters that the measure is important. Conversely, the opponents often produce just as misleading ads as well. In the end, the typical voter votes “in the dark” about a measure, often times against what may well be in their best interests!

Of course, in arguing for the initiative process, it's true that California voters could hardly be more disgusted at the Legislature's chronic inability to solve state budget woes (and our myriad other problems) effectively and on time. For example, only 4 percent, according to a recent poll, have a "great deal" of confidence that lawmakers can do the right thing when it comes to dealing with the budget. But these same voters have passed laws through the initiative process that, as I previously mentioned, have placed such a "straitjacket" on the Legislature that they only have discretion on about 7% of the state's budget!

When voters are polled, huge majorities oppose cuts to schools, health care, law enforcement, road building, parks, the environment – just about everything the state does. But they also oppose higher taxes on sales, property and income (except for the highest earners). *“They want to spend without being taxed enough to support all the spending they've mandated over the years,”* said Republican political consultant Rob Stutzman, former communications director for Gov. Arnold Schwarzenegger. *“It creates a patchwork of measures that starts to make the state ungovernable.”*

Hence the reason that we should seriously look at reforming the initiative process – we can't have it both ways, period! The voters absolutely have to understand the consequences of their actions before they act (in other words, for every action there's a reaction)!

2). **Campaign finance reform**

California has limits on donations to candidates for the Legislature and statewide office. Some advocates for reform suggest making those limits stricter; others suggest that some form of public financing or voter-controlled vouchers would reduce the influence of

moneyed interests. Others say lifting all limits and requiring better disclosure would work best because politicians and donors will always find a way to game any other system.

I for one am tired of being “shaken down” by the current fund raising process. So too, I know of many legislators who equally hate the current system of fundraising. While costs could be high if we went to public financing (not to mention a serious constitutional question about violations of the First Amendment), there has to be a better way.

ECA’s Legislative Accomplishments In 2009

On behalf of ECA and for the betterment of the entire construction industry, ECA sponsored three important construction industry-related bills this session - AB 1086 (Miller) - **Signed by Governor**, AB 541 (Duvall) and SB 694 (Correa).

Following is a brief description of these measures:

AB 1086 (Miller) - Chapter 132, Statutes of 2009 - Public Contract Code § 3400 is known as the “or-equal statute.” Its purpose is to give taxpayers the benefit of contractor/manufacturer ingenuity that reduces the cost of construction while providing the same functionality of the product or construction method specified by the public agency who is bidding-out the work. It does so by encouraging contractors/manufacturers to bid jobs at a lower price, in anticipation of getting their ingenious or-equal product or method approved by a public entity.

To help ensure that the “or-equal clause” achieved its goals for the public, the law was amended in 2001 (by ECA) to allow a contractor up to 35 days after the award of the contract to submit his documentation to the entity justifying that the material or method was equal to or greater than that which was specified in the RFP. In the end, taxpayers have benefitted tremendously by the reduced costs of the construction of the public project due to Public Contract Code Section 3400.

Unfortunately, while Public Contract Code Section 3400 has served the public well for many years, there is at least one local agency that requires the receipt of or-equal submittals before bid day, and provides that the only way to get approval is by the issuance of an addendum to the bid package before bid day; thus allowing every competitor the opportunity to take advantage of the contractor's/manufacturer's ingenuity that allows it to lower its bid! A letter from the agency explains its position: "The most important part of this [or-equal submission and approval] process is that requests for consideration of a substitute must be made prior to the receipt of bids. This requirement allows the City sufficient time to evaluate a product's equality and issue an addendum to all bidders in order to prevent one bidder from having an unfair advantage over another."

Ingenuity that leads to a lower bid is NOT an UNFAIR advantage - it is a classic FAIR advantage. It is an advantage that benefits society at-large by encouraging ingenuity. It is an advantage that benefits taxpayers by leading to lower prices for the same

functionality. It is exactly the kind of “good public policy” that we want bidders to use to lower bids.

It has been suggested that the position of that local public agency is really a subterfuge to assure sole-sourcing to favored manufacturers in violation of the whole purpose of the or-equal statute, but the sponsors would prefer to think that this is a misunderstanding of the basic intent of the law by that agency. Regardless of the public agency’s intent for this action, to encourage exactly the innovation desired to reduce costs to the public without reducing quality, the sponsors have proposed closing this loophole within the code by adding a legislative finding to the statute.

I am proud to report that despite some aggressive opposition from public agencies, the bill was signed into law and will take effect on January 1, 2010.

AB 541 (Duvall) - Many local public agencies believe that they cannot agree to use private providers for alternative dispute resolution services, such as the American Arbitration Association (AAA) or JAMS, because of Public Contract Code Section 20104, et seq. They believe they either have to agree to Public Works Contract Arbitration under Public Contract Code section 20104, et seq., or must proceed with court proceedings and the non-binding judicial arbitration called out by Public Contract Code Section 20104, et seq.

On the other hand, Civil Code Section 1670 authorizes any independent arbitration of construction claims, not just Public Works Contract Arbitration under Public Contract Code Section 20104, et seq. Clearly, there is conflict and confusion within the existing sections of the Public Contract Code.

ECA’s proposed amendment will resolve this conflict and confusion by allowing a local public agency the latitude to proceed with private arbitration to resolve construction disputes - if the agency wants to do so. The proposed amendment will not compel any local agency to take any dispute to private arbitration, nor to use any particular private arbitration service. The election, and its implementation, is totally within the hands of the local agency.

Besides providing agencies flexibility, this amendment will help “speed-up” dispute resolution which will allow projects to be completed significantly faster with less disruption to the affected parties. More importantly, this amendment is likely to reduce overall costs to resolve disputes.

This measure was made into a two-year bill due to an Assembly Judiciary Committee Consultant believing that the bill was not needed despite the urging of public agency attorneys claiming that they vitally needed this legislation! I will be working during the interim to convince the consultant of the importance of this measure and plan to have the bill heard in January of 2010. Oh, and I will need to find another author for this bill since, unfortunately, Mike Duvall resigned from the Legislature.

SB 694 (Correa) - The purpose of this bill is to require all public entities that are not mandated to competitively bid all construction work over \$2,500 to do so unless bound by its charter, ordinance or statute. Now more than ever, **ALL** public entities should be required to competitively bid ALL construction work over \$2,500! This measure faced severe opposition from public agencies and was made into a two-year bill that will be heard again in January of 2010.

Assisted On Every Other Bill and Issue Affecting the Construction Industry

In addition to co-sponsoring the three aforementioned bills, I actively worked on virtually every other bill and issue that potentially affected our industry. In total, there were over 420 bills that we actively worked this year. Countless hours of work went into ensuring that all bills that were ultimately signed by the governor did not have any negative impact on our industry.

1 Cent Sales Tax Increase

In an effort to address the state's serious budget deficit this year, the Legislature approved a 1 cent sales tax increase which took effect on April 1st, 2009. Unfortunately for construction, the 1 cent increase affects every existing fixed-price contract. In recognition of its impact, let alone the fact that this was not fair to construction, I worked with the other CIAF/FCIA lobbyists to co-sponsor AB 1523 (Calderon) which would have exempted the payment of the 1 cent sales tax increase for materials and supplies purchased or obligated by a fixed price contract entered into prior to the sales tax increase on April 1st. Unfortunately, the bill was held in Suspense in the Assembly Appropriations Committee by the liberal Democrats who felt that contractors should have to "pay their fair share" particularly if so many welfare programs were being cut due to the state's budget problems (this is a statement that was made by the chairman of the committee during the bill's hearing)!

My colleagues and I have every intention to actively pursue this two-year bill again in 2010. Besides the impact the sales tax increase has had on our industry, the critical point to note is just how naive and non-business savvy the liberals are in the Legislature; AND, how critical it will be to educate these legislators into understanding the need for this exemption to help further stimulate the state's economy to create jobs!

Disabled Veteran Business Enterprises (DVBE)

The other major disappointment in 2009 (that will be another high priority in 2010) pertains to the governor's signing of ABX4 21. This measure was introduced in the closing minutes of a special session in July that was addressing the state's further eroding state budget. The governor "slipped" ABX4 21 into the 31 bill packet of bills that was approved. This measure eliminated the "good faith effort" for complying with the 3 percent disabled veteran business program. In other words, all state construction contracts henceforth must contain 3 percent DVBE participation!

My colleagues and I worked from the outset of the governor's actions to exempt construction contracts from its provisions. Our efforts literally came down to the wire with our team amending AB 569 (Emmerson) to "carve-out" a reasonable solution that would resolve the governor's "good faith effort" elimination. Unfortunately, the bill got caught up in internal disputes between the governor and the Speaker Pro Tempore of the Senate, meaning that our team's efforts failed to obtain the bill because of issues beyond their control.

Again, both of these issues will be major priorities for 2010.

Prompt Pay Reform Task Force:

On behalf of ECA, I continue to remain committed to a full reform/update of the prompt pay provisions. Among other things, the current prompt pay provisions are scattered throughout the code and also are badly outdated. A proposed draft of the updated prompt pay provisions was submitted to all legislative advocates working on this issue last year. Unfortunately the draft will require a considerable amount of legal work which must be done by attorneys on their own time (volunteer work).

We are hopeful that the work can be done during the interim this year and be vetted and ready for introduction next January. Again, this remains a high priority issue and I will do everything in my power to make it happen as soon as possible.

Career Technical Education

Formerly known as vocational education, career technical education (CTE) is an issue I have continually stressed in my annual report. Unfortunately, we all know that the educational system in California decided many years ago to de-emphasize vocational education (classes such as wood shop have been virtually eliminated) and have instead focused their efforts on having all students go to college. The end result has been disastrous for all basic crafts, because the educational system has not provided the environment nor helped to encourage students to enter into the construction industry, period!

Thankfully, this philosophy has seen a major transformation under the Schwarzenegger Administration which has demonstrated consistent support for CTE legislation. Unfortunately due to the state's economy there was only one bill, SB 147 (DeSaulnier), signed into law; however it is an important measure. It will ensure that the CSU college system recognizes CTE courses in their admissions requirements.

I want to stress the fact that on behalf of ECA, I will continue to play a large role in CTE plans for 2010 and beyond. Simply, it's the future workers for our industry.

Anti-Business Legislation

Although the state's budget problems significantly reduced the "flow" of "job killer" bills this year, there were still a considerable amount introduced that required a concerted effort to block in committees. In the end, six made it to the governor and I'm happy to report that ALL were vetoed!

Membership Involvement

ECA's Legislative Committee again worked closely with me this year. Specifically, the committee provided me with the input and guidance I needed on all bills and regulatory issues to ensure that my representation was properly focused to serve the membership to the best of my ability.

Weekly Updates

I also continue to write my weekly update that is emailed to the ECA membership dealing with vital information that our members need to know, such as regulatory information emanating from the Contractors' Board or new laws that have become effective, to cite just two examples. If you are not on my email list, you need to be! Send me an email at phil@pvgov.com and I will be sure to include you on my list.

Thank You, Barney Kamine!!

Finally, I would also like to give special note and express my deepest appreciation to Barney Kamine who once again donated a considerable amount of his time to my legislative efforts on behalf of ECA. Barney has through the years been "the man" who has written most of the bills that ECA has sponsored. Barney's efforts, however, did not simply stop here. Countless hours of his time went into research, phone calls to me, conference calls with consultants and other stakeholders on behalf of ECA - ALL at his own expense! Words cannot begin to describe how much better off the construction industry is as a result of Barney's selfless dedication!!! Thank you, Barney!!!!

BILLS SIGNED BY THE GOVERNOR THAT IMPACT YOUR BUSINESS

Following are the highlights of bills signed by the governor that I tracked on your behalf this session, sorted by subject matter. In all there were over 420 bills that I tracked, but most did not pass muster this year due to the budget crisis. Besides not discussing the two-year bills, I am also not discussing the ones that were vetoed by the governor including SB 802 (Leno) which would have required 5% retentions on all public works projects.

If you would like a complete copy of any of these bills, please go to <http://www.leginfo.ca.gov> Once in this site, type the bill number that you would like to review and then click on the PDF version so you can read it in its exact format. Of course, if you have ANY questions on a particular bill, please email me at phil@pvgov.com

All Chaptered bills become law effective January 1, 2010 unless it states it is an urgency measure which means it became law immediately upon the governor's signature.

Air Quality Regulations

AB 892 (Furutani) Goods Movement Emission Reduction Program.

Chapter Number: 483

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of general obligation bonds for various transportation-related purposes, including reducing emissions and improving air quality in trade corridors. The State Air Resources Board is required to allocate the funds to be used for air quality purposes pursuant to specified requirements. No project can be funded unless the project is sponsored by an applicant, as defined. Returned funds or unspent funds from obligated contracts received by the applicant prior to the end of a requirement to liquidate funds within 4 years of the date of the award of a contract between the applicant and a contractor revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

This bill will authorize the applicant to award these unspent or returned funds to other equipment projects included on the same competitively ranked list approved by the state board pursuant to the grant agreement, or, if there are no other eligible projects included

on that list, these funds will be returned to the state board for reallocation to an applicant consistent with guidelines to be developed by the state board. Funds awarded by the applicant will be required to be liquidated within 4 years of the date of the award of the original contract or the funds will revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

AB 1085 (Mendoza) State Air Resources Board: regulations.

Chapter Number: 384

Existing law creates the State Air Resources Board and gives to the state board various duties relating to reducing emissions of air pollutants, including emissions of greenhouse gases. This bill will require the state board to make available to the public each technical, theoretical, and empirical study, report, or similar document, if any, on which the agency relies, related to, but not limited to, air emissions, public health impacts, and economic impacts, before the comment period for any regulation proposed for adoption by the state board.

Building Standards

AB 210 (Hayashi) Green building standards.

Chapter Number: 89

The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval and adoption. This bill will specify that the requirements and regulations that a city or county is authorized to change or modify include, but are not limited to, green building standards.

SB 283 (DeSaulnier) Department of Water Resources: recycled water systems.

Chapter Number: 178

Existing law, the Water Recycling Act of 2006, requires the Department of Water Resources, in consultation with the State Department of Health Services, on or before July 1, 2008, to adopt and submit to the California Building Standards Commission regulations to establish a state version of Appendix J of the Uniform Plumbing Code to provide design standards to safely plumb buildings with both potable and recycled water systems. This bill will revise the date the Department of Water Resources is required to adopt and submit regulations to the commission to December 31, 2009. The bill will, commencing July 1, 2011, and annually thereafter, require the department to review and update, as necessary, the regulations.

Career Technical Education

SB 147 (DeSaulnier) California State University: career technical education courses.

Chapter Number: 168

Will require the Trustees of the California State University to recognize Career Technical Education (CTE) courses in their admissions requirements.

Contractors' License Board/Unlicensed Contractors

AB 370 (Eng) Unlicensed contractors.

Chapter Number: 319

This bill will make a first conviction punishable by a fine not exceeding \$5,000 or by imprisonment in a county jail for no more than 6 months, as specified, or both. The bill will require that the fine for a 2nd conviction be the greater of 20% of the contract price, 20% of the aggregate payments made to, or at the direction of, the unlicensed contractor, or \$5,000. In addition, the bill will require that a 3rd or subsequent conviction be punishable by both a fine and imprisonment in a county jail and will require that the fine be no less than \$5,000 and no more than the greater of \$10,000, 20% of the contract price, or 20% of the aggregate payments made to, or at the direction of, the unlicensed contractor. Under the provisions described above, the bill will also provide that a person who used the services of an unlicensed contractor is a victim of crime and eligible for restitution for economic losses, regardless of whether that person had knowledge that the contractor was unlicensed.

Construction Defects

AB 927 (Calderon, Charles) Common interest developments: construction defects.

Chapter Number: 7

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments. The act requires, until July 1, 2010, with respect to certain common interest developments, that specified requirements be satisfied before an association files a complaint for damages against the builder, developer, or general contractor of the development based upon a claim for defects in the design or construction of the development. Those requirements include filing a notice regarding the commencement of legal proceedings, participating in a dispute resolution process, and preparing a case management statement, as specified.

This bill will change the expiration date for these provisions to July 1, 2017.

Design/Build

AB 729 (Evans) Public contracts: transit design-build contracts.

Chapter Number: 466

Existing law authorizes transit operators to enter into a design-build contract according to specified procedures. Existing law requires a transit operator that uses the design-build process to report to the Legislative Analyst on each public works project procured through the design-build process within 120 days of the design-build project being put into operation or by December 1, 2005, whichever occurs first. Existing law requires certain information submitted under the design-build provisions to be submitted under penalty of perjury. Existing law repeals provisions regarding transit design-build contracts on January 1, 2011.

This bill will instead repeal these provisions on January 1, 2015. The bill will require a transit operator that uses the design-build process to report to the Legislative Analyst on each public works project procured through the design-build process within 120 days of the design-build project being put into operation or by December 1, 2015, whichever occurs first.

SBX2 4 (Cogdill) Public contract: design-build: public private partnerships.

Chapter Number: 2

Provides limited expansion of design-build contracting authority to additional state facilities and to redevelopment agencies. Authorizes up to 15 design-build transportation projects, under prescribed circumstances. Authorizes the California Department of Transportation (Caltrans) and local and regional transportation agencies to enter into an unlimited number of public-private partnership agreements until January 1, 2017.

ECA Sponsored Bill

AB 1086 (Miller) Public contracts: bids.

Chapter Number: 132

This bill makes it the intent of the legislature that all public agencies encourage contractors and manufacturers to develop and implement new and ingenious materials, products, and services that function as well, in all essential respects, as materials, products, and services that are required by a contract, but at a lower cost to taxpayers.

As background, Public Contract Code § 3400 is known as the “or-equal statute.” Its purpose is to give taxpayers the benefit of contractor/manufacturer ingenuity that reduces the cost of construction while providing the same functionality of the product or construction method specified by the public agency who is bidding-out the work. It does so by encouraging ingenious contractors/manufacturers to bid jobs at a lower price in

anticipation of getting their ingenious or-equal product or method approved by a public entity.

To help ensure that the “or-equal clause” achieved its goals for the public, the law was amended in 2001 (through another of our sponsored bills) to allow a contractor up to 35 days after the award of the contract to submit his documentation to the entity justifying that the material or method was equal to or greater than that which was specified in the RFP. In the end, taxpayers have benefitted tremendously by the reduced costs of the construction of the public project due to Public Contract Code Section 3400.

Unfortunately, while Public Contract Code Section 3400 has served the public well for many years, there is at least one local agency that requires the receipt of or-equal submittals before bid day, and provides that the only way to get approval is by the issuance of an addendum to the bid package before bid day thus allowing every competitor the opportunity to take advantage of the contractor's/manufacture's ingenuity that allows it to lower its bid! A letter from the agency explains its position: "The most important part of this [or-equal submission and approval] process is that requests for consideration of a substitute must be made prior to the receipt of bids. This requirement allows the City sufficient time to evaluate a product's equality and issue an addendum to all bidders in order to prevent one bidder from having an unfair advantage over another."

Ingenuity that leads to a lower bid is NOT an UNFAIR advantage - it is a classic FAIR advantage. It is an advantage that benefits society at-large by encouraging ingenuity. It is an advantage that benefits taxpayers by leading to lower prices for the same functionality. It is exactly the kind of “good public policy” that we want bidders to use to lower bids.

It has been suggested that the position of that local public agency is really a subterfuge to assure sole-sourcing to favored manufacturers in violation of the whole purpose of the or-equal statute, but the sponsors would prefer to think that this is a misunderstanding of the basic intent of the law by that agency. Regardless of the public agency's intent for this action, our bill will close the loophole that allowed some public agencies to avoid having to comply with the law. The result will be to encourage exactly the innovation desired to reduce costs to the public without reducing quality,

Employer/Employee

AB 395 (Fuentes) Employment: apprenticeship programs.

Chapter Number: 438

This bill will provide that an awarding body that implements an approved labor compliance program may, upon mutual agreement with the Chief of the Division of Apprenticeship Standards and at his or her discretion, assist the director in the enforcement of prevailing rate wage laws and other requirements that apply to apprenticeships in public works projects through the operation of that approved labor compliance program under terms and conditions prescribed by the Chief of the Division of Apprenticeship Standards. The bill will allow a contractor to appeal the result of a

labor compliance program enforcement action related to apprenticeships in public works projects through specified procedures. The bill will provide that, if the involvement of the Chief of the Division of Apprenticeship Standards in a labor compliance program enforcement action is limited to a review of an assessment and the matter is resolved without litigation, the awarding body that has implemented the labor compliance program shall enforce any applicable penalties and shall deposit any penalties and forfeitures collected in its general fund.

Infrastructure

AB 1364 (Evans) Public contracts: state bonds: grant agreements.

Chapter Number: 526

Existing law permits the modification of contracts by state agencies in specified instances. This bill will provide that, notwithstanding any other provision of law, any state agency that has entered into a grant agreement for the expenditure of state bond funds where the state agency or grant recipient is, or may be, unable to comply with the terms of that agreement because of the suspension of interim funding for projects and contracts by the Pooled Money Investment Board on or after December 18, 2008 shall, with the consent of the grant recipient, have the authority to either renegotiate, modify, or eliminate the deadlines and timetables for and deliverables within the grant agreement in order to address the suspension or to terminate the grant agreement if no grant funds have yet been delivered there under. The bill will specify that it does not modify any act under which bonds are authorized to be issued or the State General Obligation Bond Law.

Land Use

AB 1084 (Adams) Local planning: development projects: fees.

Chapter Number: 507

Existing law extends by 24 months the expiration date of any tentative or vesting tentative subdivision map or parcel map, as the case may be, for which a tentative or vesting tentative map has been approved that had not expired as of July 15, 2009, and that will expire before January 1, 2012. This bill will maintain this provision but recasts it within the Government Code.

Legal

AB 121 (Hernandez) Judgment liens: continuation.

Chapter Number: 410

Existing law provides that a judgment lien on specified personal property is created by filing a notice of judgment lien in the office of the Secretary of State. Existing law also provides that, unless the money judgment is satisfied or the judgment lien is terminated or released, the judgment lien continues for 5 years from the date of filing.

This bill will authorize a continuation statement, as defined, to be filed not more than 6 months before the expiration of the 5-year period of the judgment lien. A continuation statement will extend the effectiveness of the judgment lien for another 5 years commencing on the date the lien will have expired. The bill will authorize the filing of successive continuation statements. The bill will set forth the circumstances under which the lien will be extinguished. In that case, the bill will require the judgment creditor to file a statement of release within 20 days after the judgment creditor receives an authenticated demand from a judgment debtor. The bill will also authorize the person who made the demand to apply for an order releasing the judgment lien if the judgment creditor does not file a statement of release pursuant to that provision. The bill will set forth related fees and definitions for these provisions, and provide for attorney's fees in an action or proceeding maintained pursuant to these provisions. The bill will also specify that nothing in those provisions will be in derogation of any other relief to which an aggrieved person may be entitled by law. The bill will provide that a court order to release the judgment lien may be filed in the office of the Secretary of State.

AB 1090 (Monning) Arbitration.

Chapter Number: 133

Existing law requires a person serving as a neutral arbitrator pursuant to an arbitration agreement to comply with the ethics standards for arbitrators adopted by the Judicial Council. Existing law also specifies that these provisions do not apply to an arbitration conducted pursuant to the terms of a public or private sector collective bargaining agreement.

This bill will specify that certain ethics requirements and standards are nonnegotiable and shall not be waived.

AB 1196 (Blumenfield) The False Claims Act.

Chapter Number: 277

Many contractors have been threatened with false claims charges by a public agency when the contractor has submitted change orders. Often times these threats are an attempt by the public agency to eliminate their need for having to pay for the change orders. Existing law provides that public agency will receive treble (three times) damages if they prevail in a case; while a contractor has to almost obtain an "Act of God" to realize attorney's fees if they prevail. Because of this, many contractors back-off from collecting their change orders for fear that it will cost them dearly in many ways.

While we are not obtaining a huge victory, the bill signed by the governor is a step in the right direction and sets the stage for working with Assemblyman Blumenfield next session to require attorney's fees to the prevailing party (which would deter public agencies from pursuing frivolous lawsuits).

The language contained in the bill signed by the governor states: Government Code section 12652(g)(9): If the state, a political subdivision, or the qui tam plaintiff proceeds with the action, the court may award to the defendant its reasonable attorney's fees and

expenses against the party that proceeded with the action if the defendant prevails in the action and the court finds that the claim was clearly frivolous, clearly vexatious, or brought solely primarily for purposes of harassment. The second provision we were able to obtain states: The Attorney General or prosecuting authority of a political subdivision has a duty to investigate violations of section 12651 of the Government Code.

Licensing

AB 645 (Niello) Professional engineers and land surveyors: licensing.

Chapter Number: 368

Existing law, the Professional Engineers Act, provides for the licensing and regulation of the practice of civil engineering, electrical engineering, and mechanical engineering, and the Professional Land Surveyors Act provides for licensing and regulation of land surveying by the Board of Professional Engineers and Land Surveyors. A violation of these acts is a crime. This bill will instead require that these documents bear the signature and seal of the licensee and the date of signing and sealing or stamping.

Mechanics' Liens

AB 457 (Monning) Liens.

Chapter Number: 109

This bill was introduced by the Contractors' License Board to address the problem of "stale Mechanic's Liens" that cloud title and have created myriad other problems through the years. This new law amends the existing Mechanic's Lien Law to require service of Notice of Mechanic's Lien on the affected property owner, or other party and recording of lis pendens within 20 days of filing an action to foreclose upon a mechanic's lien.

Specifically, this measure which takes effect on January 1, 2010:

- 1). Provides that "claim of lien" shall have the same meaning as "mechanic's lien" for purposes of the statement that must be signed and verified by the claimant recording a mechanic's lien.
- 2). Requires, as a condition of recording a mechanic's lien with a county recorder, the submission of a signed and completed statement declaring that the person recording the lien has served a Notice of Mechanic's Lien upon the property owner, or other party as specified, in the manner required by this bill.
- 3). Provides that any mechanic's lien in proper form and containing the information required by this bill shall be accepted by the recorder for recording and shall be deemed duly recorded without acknowledgment.

- 4). Provides that if the owner or reputed owner cannot be served by the methods prescribed in this bill, then notice may be given to the construction lender or to the original contractor.
- 5). Provides that failure to serve the notice of mechanic's lien, including the Notice of Mechanic's Lien, as prescribed, shall cause the mechanic's lien to be unenforceable as a matter of law.
- 6). Requires the person filing an action to foreclose upon a mechanic's lien to also record a notice of pendency in the appropriate county recorder's office, in the manner provided, on or before 20 days after the filing of the mechanic's lien foreclosure action. Specifies that only from the time of recording that notice shall a purchaser or encumbrancer of the affected property be deemed to have constructive notice of the pendency of the action.

I would urge you to obtain legal advice to ensure that you are in compliance with this forthcoming change in the law!

Public Works

SB 827 (Wright) South Coast Air Quality Management District: CEQA: permits.

Chapter Number: 206

This bill authorizes the South Coast Air Quality Management District (SCAQMD), notwithstanding a superior court decision, to issue emission reduction credits to "essential public services" and exempt facilities or equipment consistent with SCAQMD rules, and sunsets on May 1, 2012. This bill was a last minute "gut and amend" that we were able to achieve to break a logjam that was created by a stupid court decision that has held up construction of myriad public works projects. This should create a major "shot in the arm" for many of our members!

SBX2 9 (Padilla) Public works: labor compliance.

Chapter Number: 7

Existing law defines "public works," for purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work that is performed under contract and paid for, in whole or in part, out of public funds. Pursuant to existing law, all workers employed on public works shall be paid not less than the general prevailing rate of per diem wages for work, except for public works projects of \$1,000 or less.

This bill will specify that, for purposes of these provisions, the definition of "public works" includes a capital improvement project undertaken by a charter city to extend that city's water, sewer, or storm drain system or similar system to a disadvantaged

community in an unincorporated area, but will provide that it does not include any subsequent project to construct, expand, reconstruct, install, or repair such systems that have been so extended, where that project is conducted within that city's political boundaries.

Safety

AB 561 (Carter) Highway workers: assault and battery.

Chapter Number: 116

Existing law establishes the offense of assault against a highway worker engaged in the performance of his or her duties, where "highway worker" is defined as an employee or contractor of the Department of Transportation engaged in specified activities related to state highways. This bill will expand the definition of highway worker for that offense to include employees of a city, county, or city and county, as well as employees of a contractor while working under contract with the Department of Transportation, contractors and employees of contractors while working under contract with a city, county, or city and county, and volunteers to include additional specified activities related to local roads or streets.

SB 240 (Wright) Vehicles: Department of Transportation vehicles.

Chapter Number: 175

Existing law requires a person driving a vehicle on a freeway approaching a stationary authorized emergency vehicle that is displaying emergency lights or a stationary tow truck that is displaying flashing amber warning lights, to approach with due caution, and before passing in the lane immediately adjacent to the stationary vehicle, absent other direction by a peace officer, to move into an available lane that is not immediately adjacent to the stationary vehicle or if that lane change will be unsafe or impracticable, to slow to a reasonable and prudent speed. A violation of those requirements is an infraction. This bill will extend this provision indefinitely. The bill will also apply these requirements to a person driving a vehicle on a freeway that approaches a stationary marked Department of Transportation vehicle displaying flashing amber warning lights.

Small, Women, Disabled and Minority Business Preferences

AB 31 (Price) Public contracts: Small Business Procurement and Contract Act. Chapter Number: 212

The Small Business Procurement and Contract Act permits a state agency to award a contract for goods, services, or information technology with a value of between \$5,000 and \$100,000 to a certified small business, including a micro-business and a disabled

veteran business enterprise, without complying with specified competitive bidding requirements. This bill will increase the maximum amount of the contract from \$100,000 to \$250,000. Defines a small business as independently owned, not dominant in its field of operation, domiciled in California, employing 100 or fewer employees, and earning \$10 million or less in average annual gross revenues for the three previous years.

ABX4 21(Evans) State Contracts.

Chapter Number: 19

This change in the law eliminates "Good Faith Efforts" as part of the attempt for complying with Disabled Veteran Business Enterprises (DVBE) requirements when bidding on state contracts.

Prior to this change (which did NOT go through the normal public hearing process that virtually all other bills must do), Public Contract Code section 10115.2 provided that contractors could claim that they made a "Good Faith Effort" but were unable to meet their 3% DVBE "Participation Goals" and if you were low bidder, your company would be awarded the job as the "lowest responsible bidder." With this change (**which took effect immediately upon the governor's signature in July**), the "Good Faith Effort" language has now been eliminated, meaning that the 3% DVBE Participation Goals **MUST** be met in order for a bid to be found responsive.

SB 548 (Huff) California Disabled Veteran Business Enterprise

Program.

Chapter Number: 595

This bill will require a public agency awarding department, upon completion of an awarded contract for which a commitment to achieve a disabled veteran business enterprise goal was made, to require the prime contractor that entered into a subcontract with a disabled veteran business enterprise to certify to the awarding department certain information pertaining to the contract, and that all payments under the contract have been made to the disabled veteran business enterprise. This bill will also require an awarding department to keep that certification on file. This bill will specify that a person or entity that knowingly provides false information is subject to a civil penalty, as specified, and that an action for a civil penalty may be brought by any public prosecutor in the name of the people of the State of California.

Storm Water Runoff

SB 310 (Ducheny) Water quality: storm water and other runoff.

Chapter Number: 577

This bill allows local government agencies that have permits for storm water systems to voluntarily create a watershed improvement plan to improve storm water management. The bill allows participating agencies to assess fees on activities that generate storm water pollution to pay for the implementation of plans approved by the regional water

board. This bill also allows for these agencies to pay for construction of systems to improve their recycling capabilities.

SB 790 (Pavley) Resources: water quality: storm water resource plans.

Chapter Number: 620

The Watershed, Clean Beaches, and Water Quality Act authorizes the Water Resources Control Board, in consultation with the State Coastal Conservancy, to award grants to public agencies and nonprofit organizations for projects designed to restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters, including, among other things, a project to make improvements to, or upgrades or conversions of, existing sewer collection systems and septic systems for the restoration and protection of coastal water quality.

This bill will also authorize grants for projects designed to implement or promote low-impact development for new or existing developments that will contribute to the improvement of water quality or reduce storm water runoff and for projects designed to implement specified storm water resource plans.

Theft

AB 85 (Berryhill, Tom) Junk dealers and recyclers.

Chapter Number: 78

Existing law prohibits a junk dealer or recycler from providing payment for nonferrous material, as defined, unless the payment is made by cash or check, the check is mailed or the cash or check is provided no earlier than 3 days after the date of sale, and the dealer or recycler obtains a photograph or video of the seller and certain other identifying information, as specified, which information is to be retained by the dealer or recycler for 2 years. Existing law requires a junk dealer or recycler to allow for periodic inspection of any premises maintained for purposes of determining compliance with the recordkeeping requirements, and, upon inspection, to produce his or her sales and purchase records.

This bill will correct erroneous cross-references in the record production provisions and in other related provisions, and will delete duplicate provisions.

SB 24 (Oropeza) Grand theft: cargo.

Chapter Number: 607

Existing law provides that every person who steals, takes, or carries away cargo of another when the cargo taken is of a value exceeding \$400, is guilty of grand theft.

This bill will revise the above language to provide that every person who steals, takes, or carries away cargo of another, if the value of the cargo taken exceeds \$950, is guilty of grand theft. The measure will also make these provisions operative indefinitely.

Toxic Chemicals

AB 96 (Ruskin) Gasoline: underground storage tanks.

Chapter Number: 69

Existing law provides for the regulation of underground storage tanks by the State Water Resources Control Board. Existing law requires the board to take specified actions with regard to unauthorized releases from petroleum underground storage tanks, including, among other things, adopting regulations requiring the owners of those tanks to undertake certain actions.

This bill will delete that ownership requirement from the grant eligibility criteria.

Trade Associations

AB 1486 (Furutani) Sales and use taxes: consumer: nonprofit membership organizations.

Chapter Number: 538

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. That law, with certain exceptions, defines a retailer as a seller who makes any retail sale of tangible personal property and as a person who makes more than 2 retail sales of tangible personal property during any 12-month period, and defines a retail sale as a sale of tangible personal property for any purpose other than resale in the regular course of business.

This bill will, until January 1, 2015, provide that a membership organization, as described in Section 501(c) of the Internal Revenue Code, is the consumer, and not a retailer, of tangible personal property meeting certain requirements that it provides to its members, so that the retail sale subject to tax is the sale of tangible personal property to the membership organization.

Transportation

AB 282 (Committee on Transportation) Transportation.

Chapter Number: 229

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of \$19.925 billion in general obligation bonds for various transportation improvements, of which \$2 billion are to be allocated, upon appropriation by the Legislature, to cities and counties for specified street and road improvements. The

act requires a city or county to reimburse the state for funds it receives if it fails to comply with certain conditions applicable to the expenditure of the bond funds.

This bill will require any interest or other return earned by a city or county from investment of bond funds received under these provisions to be expended or reimbursed under the same conditions as are applicable to the bond funds themselves.

AB 672 (Bass) Transportation: bond-funded projects: letter of no prejudice.

Chapter Number: 463

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorizes the issuance of \$19.925 billion of general obligation bonds for various transportation purposes. Existing law designates the state agency responsible for programming bond funds under the act as the administrative agency for those purposes. This bill will authorize a regional or local agency that is a lead agency for a project or project component for which bond funding has been programmed or otherwise approved by the administrative agency or is otherwise targeted to be available, as specified, to apply to the administrative agency for a letter of no prejudice that will make the regional or local agency eligible to be subsequently reimbursed from bond funds for expenditures of funds under its control for the project or project component under certain conditions.

AB 798 (Nava) California Transportation Financing Authority: toll facilities.

Chapter Number: 474

This bill will create the California Transportation Financing Authority with specified powers and duties relative to issuance of bonds to fund transportation projects to be backed, in whole or in part, by various revenue streams of transportation funds, and toll revenues under certain conditions, in order to increase the construction of new capacity or improvements for the state transportation system consistent with specified goals. The bill will set forth the requirements for a project sponsor to obtain bond funding from the authority, will allow the authority to approve the imposition and collection of tolls on a proposed project under certain conditions, and will require the authority to report to the California Transportation Commission annually beginning June 30, 2011.

AB 1471 (Eng) Procurement: Los Angeles County Metropolitan Transportation Authority.

Chapter Number: 536

The County Transportation Commissions Act provides for the creation of county transportation commissions and authorities in five counties, including the Los Angeles County Metropolitan Transportation Authority, with specified powers and duties relative to transportation planning, programming, and operations. Existing law specifies certain procurement procedures applicable to these agencies, with certain procedures applicable solely to the Los Angeles County Metropolitan Transportation Authority.

This bill will increase that threshold to \$3,000. The bill will delete a duplicate provision relating to the Los Angeles County Metropolitan Transportation Authority in a provision of the Public Contract Code governing the contracting procedures of the Sacramento Regional Transit District.

Vehicles

AB 463 (Tran) Vehicles: hazardous materials.

Chapter Number: 111

In 2007, a horrific Bay Area traffic accident caused the legislature to reconsider how it issues hazardous material transportation licenses (HMTLs). The legislature changed the law to require inspections of the HMTL hauler's facilities before a license could be issued. The bill, AB 1612 (Ch. 514, Statutes of 2007), also authorized the issuance of a temporary license in order to minimize the impact on haulers. This temporary license would be issued if a hauler had not been issued an unsatisfactory inspection rating within the last three years.

Despite the intentions of the Legislature in AB 1612, the proposed regulations (CCR 1160.3 and 1160.4) exceed their authority by prohibiting the issuance of an HMTL license if a hauler has received an unsatisfactory rating within the last three years -

EVEN if the reasons for the unsatisfactory rating have been corrected!

AB 463 simply authorizes the department to issue a HMTL license to an applicant that has corrected any unsatisfactory ratings.

Water Conservation

AB 975 (Fong) Water corporations: water meters.

Chapter Number: 495

This bill will repeal the existing limitation in the Public Utilities Act that limits the authority of the commission to require a water corporation to install water meters. The bill will require a water corporation with 500 or more service connections that is not subject to specified requirements of the Water Measurement Law to install a water meter on each new service connection and, by not later than January 1, 2025, to install a water meter upon each unmetered service connection, as provided. The bill will require a water corporation with less than 500 service connections as of January 1, 2010, that thereafter reaches 500 or more service connections and that is not subject to specified requirements of the Water Measurement Law, to install a water meter upon each unmetered service connection within 10 years after it reaches 500 or more service connections.

The bill will require each water corporation that has installed water meters, or caused water meters to be installed, that is not subject to specified requirements of the Water Measurement Law, on and after January 1, 2015, to charge customers for potable water based on the actual volume of deliveries, as measured by the water meter, but will authorize the water corporation to delay imposition of volume-based water service charges for one annual billing cycle in order to provide customers with experience with those charges. The bill will require a water corporation to recover the cost of providing services related to the purchase, installation, operation, and maintenance of water meters in rates, fees, or charges, subject to existing law relative to approval of rates by the commission, and will require the commission to ensure that a water corporation complies with these requirements or the requirements of the Water Measurement Law.

Water Quality

AB 890 (John A. Perez) City of Maywood: drinking water.

Chapter Number: 259

This bill will require the public water systems serving the City of Maywood to conduct a study on the City of Maywood's water addressing the impacts of manganese on water quality, will require the city to conduct a public hearing, and will require the public water systems to respond in writing to public comment received at the hearing. The bill will require the study and comments to be posted on the public water systems' Internet Web sites.

SBX3 27 (Negrete McLeod) Drinking water: federal stimulus funding.

Chapter Number: 25

Existing law establishes the Safe Drinking Water State Revolving Fund in the State Treasury to be administered by the State Department of Public Health. Under existing law, the fund is continuously appropriated for the purpose of providing grants or revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. This bill will allow the department to expend federal moneys in the fund that are received from the American Recovery and Reinvestment Act of 2009 in accordance with the guidelines of that act. The bill will provide that the maximum amount of a grant is \$10,000,000 per project.

Workers Compensation

AB 483 (Buchanan) Workers' compensation: Internet Web sites.

Chapter Number: 241

This bill will provide that the Workers' Compensation Rating Bureau shall, pursuant to regulations adopted by the Insurance Commissioner after notice and hearing, establish and maintain an Internet Web site for the purposes of assisting any person to determine whether an employer is insured for workers' compensation.

2010 ACTIVITIES

My mantra for 2010 will continue to be, "If you are not at the table, you are on the menu!" Simply put, politics and particularly California politics is a contact sport. The edge ECA has had is that we are truly at "the table" affecting policy and controlling our own destiny! This will become a MUCH bigger issue in 2010 as I explain below!

The California State Legislature returns from its interim recess on January 4th, 2010. Unlike years past when I "just" had to deal with carry-over two-year bills along with the introduction of new bills for the second-half of the two-year session, 2010 will be an entirely new "breed of cat!" Indeed, 2010 will commence with the construction industry facing "THE" worst economic times in our history! Making matters worse, this recession has seriously affected virtually each and every other sector of our state's economy, which is further exacerbating construction's plight since no one has any money to build anything!

On top of the current recession (which many, including I would argue has become a depression within the construction industry), the state is facing daunting issues which include addressing future water demands along with our other serious deficits in our state's (and local's) infrastructure needs entailing prisons, high speed rail, and education to name just a few. NOW more than ever, our state must address the impact that over-regulation has caused to virtually every business in California, but again in particular to construction. The over-regulations affecting construction cover the full spectrum, from land use to storm-water runoff to diesel regulations, to excessive taxation and far more!

Our efforts towards reducing the impact of over-regulation is twofold. First, there's dealing with the Legislature to seriously address the impact over-regulation has had on our industry. We must significantly roll-back existing regulations. Indeed, the recently-released report from the governor on the impact of regulations on small business pegs the cost to each and every small business at over \$134,000 per year! Certainly the cost to construction must be significantly higher due to off-road diesel regulations, the on-road diesel regulations, the portable engine registration program and the recently approved storm water runoff regulations (to name JUST a few regulations that impact construction much harder than it does other industries). The true costs and their impacts to our industry must be determined and "hammered" into the minds of each and every legislator UNTIL relief is achieved.

We must also work with myriad other business interest groups to ensure that SB 356 (Wright), which is currently a two-year bill, is approved in 2010. For your information, SB 356 would require that a true economic analysis be required before any regulation is approved in the future and that it not only factor in its potential affect on all types of business, but it would also require a regulatory agency to seriously work with small

businesses to find less (or preferably non) burdensome solutions.

Finally, we must continue to work with all of the regulatory agencies to work in earnest with us to seek less oppression/regulatory reform. It may seem counterintuitive, but with the economy in as bad of shape as it is, and if we can gain further traction with the Legislature on our efforts, it would behoove arrogant agencies, such as the California Air Resources Board (CARB) to seriously work with our industry to seek significant rollbacks before they are mandated to do so!

As if the aforementioned were not enough on our plate, 2010 is a gubernatorial election year which will also likely include myriad initiatives that will qualify for both the June primary and November general elections. Finally, the tasks facing our industry could also include the calling of a constitutional convention in an attempt to reform government and quite likely our tax structure as well - ALL which could potentially affect construction!

Simply then 2010 could well be **THE** most important year in not only California's but our industry's history! With ALL of the aforementioned in-play next year, I hope you will also remember that the Democrats will continue to control both houses of the Legislature! I should stress, while there are some "business friendly" Democrats in both houses, the vast majority are liberal Democrats whose agenda is certainly NOT in tune with the construction industry's!

What makes this even more scary is the fact that these liberal Democrats are the ones who "jammed" the current problems we face with over-regulations onto our industry in the first place; and they will be the ones whom I will have to deal with to ascertain reform, or at the very least, relief. The daunting tasks I face will require my continuing close working relationship with all of my lobbying colleagues from both labor and management. It simply is a job that cannot be won alone!

ECA's Most Important Issues in 2010

My Specific Legislative Plans For 2010 on Your Behalf

First and foremost, my most important focus in 2010 is going to be on regulatory reform as I previously discussed. To this end, SB 356 (Wright) is going to be in the forefront. So too, there absolutely needs to be a major focus on educating the Legislature and governor on the depression currently affecting the construction industry and the need for our elected officials to work in earnest with us to "kick-start" the construction industry by not only providing regulatory reform, but also seeking ways to finance the \$500 billion (or more) that is needed to fix our broken infrastructure!

Besides this important effort, other legislation that I will be seeking includes:

I. Exempt Fixed-Price Contracts Consummated Prior to April 1, 2009 from the 1 Cent Sales Tax Increase - AB 1523 (Calderon)

As previously discussed, fairness should be paramount. No one predicted that the state would adopt a 1 cent sales tax increase that became effective on April 1st of 2009. Why should any fixed-price construction contract be stuck having to pay for the increase? Virtually every previous sales tax increase exempted existing fixed-price contracts as should this one! I will actively be pursuing AB 1523 (Calderon). As a worst case scenario, rather than lose this fight, I will pursue a permanent exemption from all future sales tax increases so that it will never happen to our industry again!

II. Resolve the "Good Faith Effort" Problem Pertaining to DVBE

As previously discussed, the restoration of the "good faith effort" is vitally necessary. Although our AB 569 (Emmerson) failed at the last minute of the 2009 session, I have every intention of re-introducing an urgency measure in early January of 2010 (if not sooner if I can find a bill during one of the special sessions that are likely to be called during this recess).

III. Require that All Public Works Contracts over \$2,500 Be Competitively Bid - SB 695 (Correa)

As previously discussed, I sponsored SB 694 (Correa) on behalf of ECA this session because it is good public policy to require competition on all public works projects that cost more than \$2,500. With the construction industry in a depression, coupled with the fact that the taxpayers are facing over \$100 billion in unfunded liability for public worker pensions, not to mention the wages and other benefits paid to public workers and all of the equipment and other support costs required to maintain a work force, there is absolutely no reason why virtually every public agency in the state should have so many public workers, period! Simply, competition is good and ensures the best use of the public's tax dollar, plain and simple! This is a measure that our sister associations have joined on as co-sponsors as have our labor allies. **This will be one of our highest priorities in 2010!!**

IV. Proper Marking of Abandoned Utility Lines

Last year ECA's president Justin Malloy discussed with me (and then later at an ECA board meeting), the matter of utilities failing to mark abandoned utility lines. Fortunately, I have had a long and successful history of working with the utilities on common issues before the Legislature and regulatory agencies. For your information, I belong to the Common Ground Alliance (CGA) which is comprised of all of the utilities, state regulatory agencies such as the Public Utilities Commission, the Northern and Southern DIG Alerts and several contractor associations.

Since bringing this matter to CGA's attention last year, abandoned lines has been on several CGA agendas. It has now been discussed to the point that a jointly sponsored bill is likely in 2010. To this end, a stakeholder meeting is scheduled for sometime in January or early February of 2010 at SEMPRA's auditorium in Downey to "hammer out"

a final solution that can be taken to the Legislature.

V. AB 541 (Duvall) – Arbitration

A two-year bill that ECA sponsored in 2009 was AB 541 (Duvall). Obviously I will have to find a new author to carry the bill since Assemblyman Duvall has since resigned, but the issue is still important and we have every intention of pursuing it. Following is a brief overview of the bill.

Many local public agencies believe that they cannot agree to AAA or JAMS arbitration of claims because of Public Contract Code section 20104, et seq. They believe that they either have to agree to Public Works Contract Arbitration under Public Contract Code section 20104, et seq., or must proceed with court proceedings and the non-binding judicial arbitration called out by Public Contract Code section 20104, et seq. On the other hand, Civ. Code § 1670 appears to authorize any independent arbitration of construction claims, not just Public Works Contract Arbitration under Public Contract Code section 20104, et seq. This amendment will allow the agencies the latitude to proceed with private arbitration to resolve construction disputes.

VI. Amend Public Contracts Code Sections That Allow for Design/Build to Ensure Selection Process Is Not Gamed Under “Best Value.”

In an effort to ensure that the selection process by public entities for the “Best Value” provisions of the design/build laws are not “gamed”, I am proposing (through Barney Kamine) that we amend all sections of the “Best Value” provisions of the Public Contracts Code that allow for the use of design/build to read (new language underlined):

Section 20175.2 et seq.

(ii) Significant **OBJECTIVE** factors which the city reasonably expects to consider in evaluating proposals, including cost or price and all non-price related factors.

VII. Prompt Pay Law Review and Rewrite

As previously discussed, my plans are to work with my colleagues to introduce legislation in early 2010 to re-write and/or consolidate the prompt pay provisions within the code.

VIII. AB 569 (Emmerson) - Meal and Rest Periods

One of the many problems that we face in construction concerns the current requirement in the law that mandates meal and rest periods. Of particular concern is the problem, for example, when concrete is being poured or for any other type of work that requires workers’ full attention for the duration of that scope of work. Under current law contractors face substantial fines for not providing the mandated meal and/or rest period.

While the Appellate Court decided last year in the Brinker Case that an employer is only

required to offer meal and rest periods, the Supreme Court agreed to hear the case and thus de-published the decision while it deliberates. I have been working closely with the California Chamber on this case and worked with them to recently file an amicus brief to the Supreme Court urging them to affirm the decision that was rendered by the Appellate Court last year.

I also worked with my colleagues this year to have AB 569 (Emmerson) introduced which would exempt contractors signatory to a collective bargaining agreement from having to comply with the existing meal and rest period regulations. This bill was on third-reading in the Senate, but faced a likely veto from the governor since it would not address ALL contractors, but only signatory contractors. Furthermore, since we needed a bill on Senate third reading at the end of the session to amend our DVBE "good faith effort" language into, we used AB 569. When our efforts "blew up" at the last minute, the bill was returned to its original language and now sits in the Senate Rules Committee where it will likely be returned next session to the Senate Floor on third reading.

This bill will again be a high priority in 2010. During the interim, I am hopeful that the Supreme Court will rule in our favor prior to 2010. In the event that it doesn't or if it rules against our intentions, I will pursue this measure again and also work with the governor in hopes of convincing him of the importance of resolving the meal and rest problem.

IX. 4 Day, Ten Hour Work Week

This is a matter of great importance to every ECA member and your respective employees (and to every other contractor as well) which I have discussed and emphasized in my 2006, 2007 and 2008 year end reports as well. The question is why shouldn't employers allow employees to work four, ten hour days if both parties agree? Unfortunately when dealing with public works, the California State Constitution prevents this from happening! Written into the constitution back in the 1800's, there are only two ways that we will ever be able to change this requirement.

1). Introduce a bill that ultimately obtains a two thirds vote of the Legislature which is then signed by the governor. Next, it would have to be placed on the general election ballot and approved by a majority (plurality) of the voters (50% plus 1).

2). Qualify a ballot initiative for the general election ballot. Again, it would have to be approved by a majority of the voters.

I am committed to making this a priority issue once again in 2010. Please bear in mind however, the odds are very much against us because it will require union support - but they will only want a bill that addresses signatory contractors (same problem as the meal and rest period issue where the governor has stated he's only interested in solutions that affect both signatory and non-signatory contractors). Again, despite these potential obstacles, I am committed to trying to make this happen.

X. Google Can Be A Problem

This was an issue that was raised by Barney Kamine in 2006, 2007 and again in 2008; however, a “fix” for the problem has yet to be ascertained. Once again I propose a “fix” this year in hopes that Barney or someone else on our legal team will find a solution that I can introduce.

It seems that a contractor was awarded a public works job, but then the agency tried to remove him and called him a non-responsive bidder. The contractor demanded a hearing to plead his case in which he ultimately prevailed. In publicly noticing the hearing however, the public agency’s staff had included materials as handouts to prove their case.

Unfortunately if you now Google this contractor’s name, this agency’s staff report comes up even though he was able to disprove everything that was contained in the report against him! So, the “fix” I need to make is to somehow require a public agency to remove from cyberspace any reference to a purported problem, such as being non-responsive, if it is reversed. Otherwise this contractor (or any other contractor in the same circumstance) may always have this matter “hanging over his head” when he bids on any type of job and the prospective owner happens to Google the contractor to check on him.

IX. Amend Civil Code § 3186

The outside counsel of several local agencies in Southern California has found a way to milk contractors and interfere with efforts by prime contractors and subcontractors to resolve their disputes.

Subcontractors often serve lawsuits to foreclose stop notices on public agencies as a vehicle to get attention, to be the squeaky wheel, to assure prompt payment. Until recently, the public agencies have routinely tendered the defense of any such lawsuits on those stop notices to the prime contractor, who then usually works out a settlement with the subcontractor.

Civil Code § 3186 provides that the public agency shall withhold from the prime contractor "an amount sufficient to answer the claim stated in the stop notice and to provide for the public entity's reasonable cost of any litigation there under." It is that last phrase that outside counsel are using to charge prime contractors attorney fees that should never be incurred. I need to amend this language to read:

"an amount sufficient to answer the claim stated in the stop notice and to provide for the public entity's reasonable cost of any litigation there under if the original contractor fails to promptly accept a tender of defense of the public entity in such litigation."

My "fix" to this problem was included in AB 396 (Fuentes) this year, but the bill got held in Suspense in the Assembly Appropriations Committee. I then worked to place it into

another measure, SB 802 (Leno), but ran into problems from a letter that contained total inaccuracies from the Los Angeles Unified School District (LAUSD). Despite the fact their letter of opposition was completely false, the sponsors of SB 802 were afraid that it could "drag down" the bill, so they refused to amend our language into their bill (which ultimately was vetoed by the governor, anyway).

I have the complete support of our colleagues to co-sponsor a bill with this language in 2010 and plan to pursue this as a high priority.

Teamwork Is Needed To Implement Infrastructure

No association can operate in a vacuum and be successful in Sacramento which is why I have stressed my close working relationship with our sister associations' legislative programs. Indeed, thanks to this close symbiotic relationship, we worked together to help obtain the Legislature's support for placing the infrastructure bond measures on the November 2006 ballot which, thankfully, the voters approved.

Unfortunately, due to the state's economic crisis, the funding has not been disbursed as quickly as we had hoped. Although there is over \$42 billion in total bond funds that were approved by voters in 2006, a substantial amount of these funds remain to be allocated. While my colleagues and I will continue to pursue fast track spending of these funds, the reality is that the state cannot afford to service all of the debt that would be incurred if the bonds were disbursed presently. Regardless, helping to accelerate their spending is of paramount importance and will remain a high priority for 2010.

Federal Stimulus Funds

On February 17, 2009 President Obama signed the American Recovery and Reinvestment Act of 2009. The Recovery Act is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so that our country can thrive in the 21st century. The Act is an extraordinary response to a crisis unlike any since the Great Depression, and includes measures to modernize our nation's infrastructure.

For California, clean water and wastewater projects funded through the Recovery Act will total \$439 million. Unfortunately, only \$17 million has been allocated towards these projects to date. For transportation, \$4.6 billion worth of projects will be funded in California, but only \$10 million has been allocated to date.

While my efforts cannot release funds any sooner than the agency is ready to release them, I stand committed to continuing to work with the local cities, counties and special districts (such as sanitary districts) to help "shake" these funds from the federal government's "tree!" While these funds are literally a "drop in the bucket", each and every dollar spent is a dollar that wasn't there before these funds were approved by the federal government.

Sewer and Wastewater Treatment Work

In 2007 ECA joined the Clean Water Construction Coalition. Comprised of underground contractor associations from around the country, this coalition is pushing to obtain the passage of Federal legislation that will produce billions of dollars of work for California's sewer and wastewater treatment facilities. In late September of 2009, the US Senate approved 2010 Wastewater and Drinking Water State Revolving Funds (SRF) Appropriations, which is over and beyond the federal recovery act funds we previously discussed.

The amounts that have been approved by the Senate that will now go to a joint conference committee total \$2.1 in wastewater treatment and \$1.39 billion in drinking water. It should be stressed these amounts total approximately three times the amounts that have been released in recent years. California should receive at least 10 percent of these funds which, combined with the other recovery act funds previously mentioned, helps significantly to lift our industry out of its depression.

I pledge to remain an active participant in helping to bring as much funding to California as possible. To this end, I will continue to write letters to our congressional delegation, meet with members in their district offices, and travel to Washington D.C. if necessary to lobby on a one-on-one basis.

CIAQ and Air Quality Regulations

As previously discussed, with our industry "on the ropes" due to the economy, we have already achieved emission reductions far above what the regulations had intended to achieve several years from now and was the genesis for ABX2 8 which rolled-back the implementation dates for the off-road diesel regulations. My hope and intention is to continue to push for further reductions in these regulations in 2010.

I have also been working with other industries to achieve more consistency to the ARB's enforcement policies. As an example, one firm caught in non-compliance of the regulations will be fined, say \$10 per day, while another firm caught in non-compliance ends up paying \$100 (or more) per day! We met with the chief legal counsel for the ARB back in mid-September and hope that resolution to this problem will be forthcoming.

SB 375

I will continue to serve on the Regional Transportation Program (RTP) task force whose purpose is to find methods for reducing green house gas emissions by reducing or eliminating suburban growth through in-fill projects, mass transit and other alternatives. Again, it is absolutely essential that the construction industry ensures that the environmentalists NOT control the recommendations of the task force as they have with the off-road diesel regulations and myriad other BAD regulations.

Workers' Compensation

Once again the reformed workers' compensation system will be on the table in its entirety in 2010. I fully expect that forces, such as the Applicant Attorneys and labor, will be pushing hard to undo the workers' compensation reforms that we achieved in 2004. It appears that even without these future "cost-drivers", others are already in play that will result in dramatic rate increases starting in early January of 2010.

I will again be at the table for all of the activities both in the regulatory and the legislative arenas dealing with workers' compensation. Fortunately I have an extensive background in workers' compensation and will play a large role in making sure that ECA is properly represented.

I also pledge to continue with my efforts to help promote a self-insured group for our members. With costs expected to rise dramatically in 2010, the creation of a self-insured group could be an extremely attractive solution for many of our contractor members.

Career Technical Education

Although the budget crisis took center stage over education in 2009, the fact remains that we need to still do considerably more to help promote Career Technical Education (CTE). In 2010 I continue to pledge to make CTE one of my highest legislative priorities. Simply put CTE is our industry's future. Without an adequate and well-trained workforce there cannot be ANY future for our industry, let alone for California.

Regulatory Activities

As I previously discussed, 2009 was a very busy year for the myriad regulatory agencies overseeing construction activities in California and 2010 will be even busier. My pledge is to remain "at the table" and actively fight for the future of the construction industry. The critical point that I continue to argue to ALL regulatory agencies is there are better (or at least equal) ways to achieve clean air, water, safe workers, etc. without killing our industry! Indeed, construction is one of the top employers and economic drivers for the entire State of California! We/the state needs to ensure that it thrives rather than continue to "slam it down!"

I also will again be working closely with the Air Resources Board, the Contractors' Board, the California Highway Patrol, the Building Standards Commission, the Business and Transportation Agency, the other departments and bureaus within the Labor Agency (in addition to Cal OSHA), the Water Resources Control Board and its nine regional water quality boards, the Department of Transportation (Cal Trans), the Department of Insurance, the Insurance Commissioner and virtually every other agency, department or bureau whose actions affect the interests of our members and the construction industry.

Wrap-Up

I want to thank you for your continued support. 2010 marks the commencement of my 15th year of representing your interests in Sacramento and my 37th year “in the halls” of the Capitol. My passion and enthusiasm as your legislative advocate becomes stronger each year which I believe shows by my many successes on your behalf. There are still many challenges ahead, but with your continued support we will continue to achieve everything that we set out to do.

ADDITIONAL SERVICES PROVIDED TO MEMBERS

I want to reiterate that you have direct access through me into “the government” to resolve any problem or to address any needs that your business may have. These services include fast-tracking a Contractors’ License Board application, resolving a Cal OSHA citation, or helping to resolve a dispute with an agency. Do you have a technical question of any kind, or want to know if I can help? Call me to find out! I can be reached at (916) 784-7055, (916) 784-2852 (fax), or phil@pvgov.com by email. Thank you for allowing me to serve as your legislative advocate. It is truly an honor and a privilege!