

# NIPOMO COMMUNITY SERVICES DISTRICT

## AGENDA

MAY 20, 1998 7:00 P.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

*Johns*

420  
840  
150  
990

### BOARD MEMBERS

ALEX MENDOZA, **PRESIDENT**  
KATHLEEN FAIRBANKS, **VICE PRESIDENT**  
AL SIMON, **DIRECTOR**  
ROBERT BLAIR, **DIRECTOR**  
GENE KAYE, **DIRECTOR**

### STAFF

DOUGLAS JONES, **General Manager**  
DONNA JOHNSON, **Secretary to the Board**  
JON SEITZ, **General Counsel**

**NOTE: All comments concerning any item on the agenda are to be directed to the Board Chairperson.**

### CALL TO ORDER AND FLAG SALUTE

### ROLL CALL

### APPROVAL OF MINUTES

1. REGULAR MEETING OF MAY 6, 1998
2. STUDY SESSION OF MAY 12, 1998

### PUBLIC COMMENTS PERIOD

3. PUBLIC COMMENTS

Members of the public, wishing to address the Board on matters other than scheduled items, may do so when recognized by the Chairperson. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda. **Presentations are limited to three (3) minutes.**

### BOARD ADMINISTRATION (The following may be discussed and action may be taken by the Board.)

4. DISTRICT POWERS - ORRIN COCKS TO ADDRESS THE BOARD  
Review, GC§61600, Powers of a Community Services District
5. TRACT NO. 2172 (BERGER/WENDLER) OUTSIDE DISTRICT SERVICES  
Request for water service at inside-District boundary rates
6. SOUTHLAND WASTEWATER PLANT EXPANSION - REQUEST FOR BIDS  
Authorize going to bid for Phase II of the Southland wastewater plant expansion
7. PROPOSITION 224 - DESIGN & ENGINEERING SERVICES, STATE FUNDED  
The Board to take a position against Prop 224
8. ASSEMBLY CONSTITUTIONAL AMENDMENT NO. 42  
Review ACA 42, the distribution of taxes, with respect to special districts
9. MANHOLE REHABILITATION IMPROVEMENTS  
Recommend acceptance of manhole rehabilitation work and file Notice of Completion

### FINANCIAL REPORT

10. APPROVAL OF WARRANTS

### OTHER BUSINESS

11. MANAGER'S REPORT
  1. COMPLAINT/COMPLIMENT REPORT
12. DIRECTORS COMMENTS

### CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

Existing litigation GC§ 54956.9

1. NCSD vs. Shell Oil, et. al. Case No. CV 077387

### ADJOURN



# NIPOMO COMMUNITY SERVICES DISTRICT

## MINUTES

May 6, 1998 7:00 P.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

### **BOARD MEMBERS**

ALEX MENDOZA, **PRESIDENT**  
KATHLEEN FAIRBANKS, **VICE PRESIDENT**  
AL SIMON, **DIRECTOR**  
ROBERT BLAIR, **DIRECTOR**  
GENE KAYE, **DIRECTOR**

### **STAFF**

DOUGLAS JONES, **General Manager**  
DONNA JOHNSON, **Secretary to the Board**  
JON SEITZ, **General Counsel**

### **CALL TO ORDER AND FLAG SALUTE**

President Mendoza called the meeting to order at 7:05 p.m. and led the flag salute.

### **ROLL CALL**

At Roll Call, all of the Board members were present.

### **APPROVAL OF MINUTES**

1. **REGULAR MEETING OF APRIL 22, 1998**  
Upon motion of Director Kaye and seconded by Director Fairbanks, the Board unanimously approved the Minutes of the April 22, 1998 meeting.
2. **SPECIAL MEETING OF APRIL 29, 1998**  
Upon motion of Director Blair and seconded by Director Kaye, the Board Unanimously approved the Minutes of the April 29, 1998 meeting.

### **PUBLIC COMMENTS PERIOD**

3. **PUBLIC COMMENTS**  
There were no public comments.

### **BOARD ADMINISTRATION**

4. **HOUSE SEWER LATERAL**  
The Board to review Black Lake house sewer lateral maintenance policy

Mr. Jones explained the request from the Black Lake Advisory Committee to have the Board of Directors consider changing the Black Lake house sewer lateral maintenance policy. The District's current policy requires the property owner to maintain the sewer lateral from the house to the sewer main in the public right of way. This issue arises due to two incidents involving sewer laterals at Black Lake whereby there were failures and the District billed the property owner for the cost of the repairs.

During this agenda item the following people spoke:

Jack Stoddard, 1172 Oakmont Place, Nipomo – commented that the District policy should be changed and that the District maintains the water service to the meter, but not the sewer lateral. The incidents at Black Lake were not due to the homeowner, but due to construction defaults.

**MINUTES SUBJECT TO BOARD APPROVAL**

Jerry Fitzer, 588 Master Circle, Nipomo – commented that the Developer that built his home is bankrupt and that the incident was not caused by blockage but a separation in the sewer lateral pipe.

Carlo Alfano, 609 Woodgreen, Nipomo – commented that the Board should consider two issues when reviewing the policy-the first is maintenance of the lateral (i.e. stoppages) and second is construction defaults.

Director Kaye stated that the policy should be the same for both the Town and Black Lake Divisions. Director Simon suggested the District charge the developer of fee for maintenance. Upon the Motion of Director Blair and seconded by Director Fairbanks, the Board agreed to 1) maintain the existing policy of requiring the homeowner to be responsible for the sewer lateral from the house to the main, and 2) any stoppages are the responsibility of the property owner and 3) other defects would be reviewed by the Board on a case by case basis. Vote 4-1 with Director Simon voting no.

Upon the motion of Director Blair and seconded by Director Simon, the Board agreed to withdraw the charges and small claims court action against the two homeowners at Black Lake based upon the findings that the incidents were a result of faulty construction in the public right of way and not caused by stoppages caused by the homeowner. Vote 5-0.

5. STATE REVOLVING FUND LOAN

Designate the General Manager to execute documents for SRF Loan

Mr. Jones explained that the District must designate a representative to execute documents for the SRF Loan. The District has received approval to go to bid on the project.

There were no public comments.

Upon the motion of Director Kaye and seconded by Director Blair, the Board unanimously approved Resolution 98-644.

**RESOLUTION 98-644**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING THE GENERAL MANAGER TO EXECUTE DOCUMENTS FOR THE STATE REVOLVING FUND LOAN**

6. SOUTHLAND WASTEWATER EXPANSION-PHASE II

Review engineering services by Garing, Taylor & Assoc. For Phase II of the wastewater plant expansion

Mr. Jones explained that the SRF loan and Phase I has been approved. Phase II plans and specifications are due to the State by August 3. Mr. Garing presented the work to be done for both Phase I and II.

There were no public comments.

Upon motion of Direct Kaye and seconded by Director Blair, the Board unanimously approved the contract for engineering services for Phase II.

MINTUES SUBJECT TO BOARD APPROVAL

**CONSENT AGENDA**

7. SUN DALE WELL IMPROVEMENTS  
Recommended acceptance of sun Dale Well drilling and file Notice of Completion
8. WATER SERVICE LINE REPLACEMENT  
Recommended acceptance of water service replacement by TLC Backhoe and file Notice of Completion
9. TRACT 1658 – KENGEL REQUEST FOR SERVICE  
Recommend approval of Intent to Serve Letter for Tract 1658/W. Tefft St.
10. TRACT 1700 – PEOPLE'S SELF HELP HOUSING  
Recommend acceptance of water and sewer improvements for Tract 1700/Grande
11. TRACT 1981 – NEWDOLL  
Recommend acceptance of water and sewer improvements for Tract 1981/Primrose
12. SAFETY MEETING  
Approval of minutes for District Safety Meeting

There was no public comment on items 7-12 and no items were pulled for additional discussion. Upon the motion of Director Kaye and seconded by Director Blair, the consent agenda items were unanimously approved.

**RESOLUTION 98-645**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE SUN DALE WELL DRILLING**

**RESOLUTION 98-646**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE REPLACEMENT OF WATER SERVICE LINES**

**RESOLUTION 98-647**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR TRACT 1700**

**RESOLUTION 98-648**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR TRACT 1981 (NEWDOLL)**

**FINANCIAL REPORT**

13. APPROVAL OF WARRANTS

Upon motion of Director Simon and seconded by Director Kaye, the Board unanimously approved the Warrants presented at the May 6, 1998 Regular Meeting.

**OTHER BUSINESS**

14. MANAGER'S REPORT

Manager Doug Jones presented information on the following:

1. Conflict of Interest Pamphlet
2. State Water Project Shutdown

**MINTUES SUBJECT TO BOARD APPROVAL**

MINUTES  
MAY 6, 1998  
PAGE FOUR

15. DIRECTORS COMMENTS

Director Blair gave a report on his attendance at the CSDA Government Affairs Day in Sacramento held on April 27.

Director Blair directed staff to place a Resolution on the next agenda for Board consideration on ERAF.

Director Mendoza directed staff to respond to Director Simon's letter regarding sewer laterals.

**CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL**

Closed Session was canceled.

**ADJOURN**

President Mendoza adjourned the meeting at 8:50 p.m. to a Study Session at 9:00 a.m. on Tuesday, May 12, 1998.

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**MINUTES**

**BOARD OF DIRECTORS**

**STUDY SESSION**

May 12, 1998 9:00 A.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

**BOARD MEMBERS**

ALEX MENDOZA, **PRESIDENT**  
KATHLEEN FAIRBANKS, **VICE PRESIDENT**  
AL SIMON, **DIRECTOR**  
ROBERT BLAIR, **DIRECTOR**  
GENE KAYE, **DIRECTOR**

**STAFF**

DOUGLAS JONES, **General Manager**  
DONNA JOHNSON, **Secretary to the Board**  
JON SEITZ, **General Counsel**

**CALL TO ORDER**

President Mendoza called the meeting to order at 9:00 a.m. All Board members were present.

The Board discussed the following subjects.

- A. **WATER SYSTEM PRESSURE AT LOW AND HIGH ELEVATION AREAS OF THE DISTRICT**
- B. **ANNEXATION - REVIEW PRESENT POLICY**
- C. **OTHER ITEMS**
  - 1. **Boyle Water/Sewer Master Plan**
  - 2. **Board/Staff Communications**
  - 3. **Division Operations**

**2. PUBLIC COMMENTS**

There were no Public Comments

**ADJOURN**

President Mendoza adjourned the Study Session at 1:00 p.m.

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: MAY 20, 1998

**DISTRICT POWERS**

Mr. Orrin Cocks, has requested to speak to your Honorable Board on community services district powers and services.

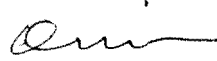
Presently, the District is providing domestic water service and collection, treatment and disposal of wastewater. The District also handles street-lighting at Black Lake Golf Course and a drainage system at Folkert Oaks Development. Attached is Section 61600 of the Government Code outlining the enumeration of purposes for a community services district.

LAFCO approval is necessary prior to activating any additional powers or providing any additional services.

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TO: Doug Jones, General Manager  
Nipomo Community Services District

FROM: Orrin Cocks: voice, 489-5535; fax, 481-2627



REGARDING: District Powers

DATE: May 8, 1998

Please place an information/discussion item on your May 20, 1998 agenda for your Board to discuss with Staff and General Counsel the powers and services available to a Community Services District.

Thank you, Doug.

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COMMUNITY SERVICES DISTRICT



## § 61600

## COMMUNITY SERVICES DISTRICTS Title 6

### § 61600. Enumeration of purposes

A district formed under this law may exercise the powers granted for any of the following purposes designated in the petition for formation of the district and for any other of the following purposes that the district shall adopt:

(a) To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

(b) The collection, treatment, or disposal of sewage, waste, and storm water of the district and its inhabitants.

(c) The collection or disposal of garbage or refuse matter.

(d) Protection against fire.

(e) Public recreation including, but not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings.

(f) Street lighting.

(g) Mosquito abatement.

(h) The equipment and maintenance of a police department, other police protection, or other security services to protect and safeguard life and property.

(i) To acquire sites for, construct, and maintain library buildings, and to cooperate with other governmental agencies for library service.

(j) The constructing, opening, widening, extending, straightening, surfacing, and maintaining, in whole or in part, of any street in the district, subject to the consent of the governing body of the county or city in which the improvement is to be made.

(k) The construction and improvement of bridges, culverts, curbs, gutters, drains, and works incidental to the purposes specified in subdivision (j), subject to the consent of the governing body of the county or city in which the improvement is to be made.

(l) The conversion of existing overhead electric and communication facilities to underground locations, which facilities are owned and operated by either a "public agency" or a "public utility," as defined in Section 5896.2 of the Streets and Highways Code, and to take proceedings for and to finance the cost of the conversion in accordance with Chapter 28 (commencing with Section 5896.1) of Part 3 of Division 7 of the Streets and Highways Code, subject to the consent of the public agency or public utility responsible for the owning, operation, and maintenance of the facilities. Nothing in this section gives a district formed under this law the power to install, own, or operate the facilities that are described in this subdivision.

(m) To contract for ambulance service to serve the residents of the district if convenience requires, if a majority of the voters in the district, voting at an election thereon, approve.

(n) To provide and maintain public airports and landing places for aerial traffic.

(o) To provide transportation services.

(p) To abate graffiti.

(q) To construct, maintain, and operate flood protection works and facilities, subject to the following conditions:

(1) The planning, design, construction, maintenance, and operation of flood protection works and facilities, or substantially similar works or facilities, is not within the authority of another public agency, except that a public agency and the district are not precluded from entering into agreements for the district to provide those services.

(2) The governing body of the city or county in which the services specified in paragraph (1) are to be provided by the district has consented to the district providing those services.

(Added by Stats.1986, c. 195, § 1.5. Amended by Stats.1991, c. 1226 (S.B.767), § 9; Stats.1992, c. 364 (A.B.3457), § 1; Stats.1993, c. 395 (A.B.1598), § 1; Stats.1993, c. 434 (A.B.781), § 2; Stats.1994, c. 1201 (S.B.1397), § 5; Stats.1996, c. 903 (S.B.2137), § 1.)

### Historical and Statutory Notes

Section 1 of Stats.1986, c. 195, provided:

"It is the intent of the Legislature to retransfer the provisions which state the powers of the affected local entities from the Public Contract Code to the codes where these provisions originated.

"Consistent with the intent in transferring these and other sections back to the Public Contract Code, it is not the intent of the Legislature, in retransferring these sections, to effect any substantive change in the law as it existed prior to the initial transfer to the Public Contract Code."

Amendments of this section by §§ 9.1, 9.3, and 9.5 of Stats.1991, c. 1226, failed to become operative under the provisions of § 71 of that Act.

Section affected by two or more acts at the same session of the legislature, see Government Code § 9605.

Former § 61600, added by Stats.1955, c. 1746, p. 3213, § 3, amended by Stats.1955, c. 1487, p. 2699, § 2; Stats.1955, c. 1677, p. 3012, § 2; Stats.1957, c. 66, p. 637, § 11; Stats.1957, c. 1265, p. 2569, § 1; Stats.1959, c. 653, p. 2629, § 1; Stats.1959, c. 1600, p. 3970, § 1;

Stats.1963, c. 2067, p. 4315, § 6; Stats.1968, c. 338, p. 723, § 1; Stats.1971, c. 182, p. 249, § 2, eff. June 25, 1971; Stats.1972, c. 258, p. 508, § 1; Stats.1979, c. 157, p. 352, § 2, eff. June 27, 1979; Stats.1980, c. 296, p. 622, § 2, relating to the enumeration of purposes, was repealed by Stats.1983, c. 256, § 14. See this section.

**Derivation:** Gov.C. former § 61600, added by Stats.1955, c. 1746, p. 3213, § 3, amended by Stats.1955, c. 1487, p. 2699, § 2; Stats.1955, c. 1677, p. 3012, § 2; Stats.1957, c. 66, p. 637, § 11; Stats.1957, c. 1265, p. 2569, § 1; Stats.1959, c. 653, p. 2629, § 1; Stats.1959, c. 1600, p. 3970, § 1; Stats.1963, c. 2067, p. 4315, § 6; Stats.1968, c. 338, p. 723, § 1; Stats.1971, c. 182, p. 249, § 2, eff. June 25, 1971; Stats.1972, c. 258, p. 508, § 1; Stats.1979, c. 157, p. 352, § 2, eff. June 27, 1979; Stats.1980, c. 296, p. 622, § 2.

Former § 60600, added by Stats.1951, c. 1711, p. 4004, § 1, amended by Stats.1955, c. 1487, § 1; Stats.1955, c. 1677, § 1.

Pub. Con. C. former § 20681, added by Stats.1953, c. 256, § 86.

TO: BOARD OF DIRECTORS  
 FROM: DOUG JONES  
 DATE: MAY 20, 1998

TRACT 2172 (BERGER/WENDLER  
 OUTSIDE District BOUNDARY

Tract 2172, as well as Tract 1696 and 1747, are developments presently outside the District boundary located near the intersection of Highway 1 and Willow Road.

<u>TRACT</u>	<u># OF LOTS</u>
2172	10
1696	26
1749	15

The developers of Tract 2172 are requesting In-District water rates because of a dedication of (but not recorded) a well-site easement to the District in their development. The District presently has a policy that developments outside the District boundary, unless a special agreement has been made with the District, are charged Out-of-District water rates which are twice the Inside-the-District rates. This development, the area initially known as the "Moore" development, proposed a well-site easement at the southeast corner of Tract 1749. A test hole was drilled at this site confirmed that a production well could be located at this location.

The developers of Tracts 2172 and 1696 wish to proceed prior to Tract 1749 going forward and are willing to grant a well-site to the District. The District did not wish for any of the tracts to start without acquiring a well-site, therefore, Tract 2172 offered the second well-site so that they may proceed.

It would be the intent of the District that the first well-site on Tract 1749 (which has not been acquired) is the preferred site and the second site on Tract 2172 is an interim well-site until the first site could be acquired. At that time, the second well-site would be abandoned.

The attached table shows outside the District water service locations, number of services and if they are charged in or out of District rates.

TO: BOARD OF DIRECTORS  
 FROM: DOUG JONES  
 DATE: MAY 20, 1998

TRACT 2172 (BERGER/WENDLER  
 OUTSIDE DISTRICT BOUNDARY  
 PAGE TWO

<u>LOCATION</u>	<u>SERVICES</u>	<u>ACTIVE</u>	<u>WATER RATE</u>	<u>DEDICATION</u>
Bevington	4	4	Out-of-District	Well Site
Eureka	4	1	In District	Well Site
Via Concha	8	1	In District	Well Site
Hermerck	8	2	In District	Tank Site
Others	5	5	Out-of-District	None
Total	29	13		

It would be staff's recommendation that the District review its out-of-District rates to determine the appropriate costs of such rates compared to inside District rates. Also, the "Moore" development will have a pressure reducing station near the intersection of Highway 1 and Willow Road. This would create a separate pressure zone for these three developments and an additional O & M charge may be warranted.

It would be staff's recommendation that this matter be tabled until the District evaluates its out-of-District water rates vs. inside District rates and develop a policy with respect to maintaining separate pressure zones facilities.

TRACT No 2172

RECEIVED

MAY 07 1998

NIPOMO COMMUNITY SERVICES DISTRICT

Mr. Jones,

Thanks for your time & consideration. Mark & I appreciate all the help you've given us while we've tried to split our 10 acres.

We would like to appear before the NISD Board on May 20th. We would like to get their decision about the rates we will be charged if service is provided. We feel that since we have a well site to dedicate, we should be charged in service rates.

Thanks,

Mark Berger & Mark Lebedler



AGENDA ITEM

MAY 20 1998

6

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: MAY 20, 1998

SOUTHLAND WASTEWATER FACILITY EXPANSION  
REQUEST FOR BIDS

The District has been proceeding with a State Revolving Fund Loan for the expansion of the Southland Wastewater Treatment Plant. The State has approved the plans and specifications submitted by the District and the appropriate documents have been completed.

Staff is requesting Board approval to request bids for expansion of the Southland Wastewater Treatment Facility. Enclosed is the Request for Bid Proposal. A motion, a second and a voice vote would be in order to authorize staff to go out for bids for the construction of the expansion of the Southland Treatment Facility, Phase I.

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Nipomo Community Services District

STATE OF CALIFORNIA

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**NOTICE TO CONTRACTORS**  
for

**CONSTRUCTION OF  
SOUTHLAND WASTEWATER TREATMENT  
PLANT EXPANSION, PHASE I**

Sealed proposals will be received at the office of the Nipomo Community Services District, 148 S. Wilson, P.O. Box 326, Nipomo, CA 93444, (805) 929-1133, until 2:00 p.m. June, 23, 1998 at which time they will be publicly opened and read for performing work in accordance with the specifications therefor, to which special reference is made as follows:

**CONSTRUCTION OF  
SOUTHLAND WASTEWATER TREATMENT  
PLANT EXPANSION, PHASE I**

Bids are required for the entire work described herein. All bids are to be compared on the basis of the estimated quantities of work to be done contained in the proposal.

Bids will be accepted only from contractors who have been licensed in accordance with the provisions of STATE law to perform the work described in the Special Provisions and shown on the plans. All bids must be made on a proposal form furnished by the District.

One (1) set of plans, specifications and proposal forms for bidding this project may be seen and obtained without charge at the office of GARING, TAYLOR & ASSOCIATES, Inc., 141 South Elm Street, Arroyo Grande, CA 93420, (805) 489-1321. Additional sets are available for twenty-five dollars (\$25.00) each.

The successful bidder shall furnish a payment bond, a performance bond and a Certificate of Liability Insurance as required by these Special Provisions.

Pursuant to Section 1773 of the California Labor Code, the general prevailing rates of wages in the Nipomo Community Services District have been obtained from the Director of Industrial Relations of the STATE OF CALIFORNIA. Pursuant to Section 1773.2 of said Code said rates of wages are on file at the office of the Nipomo Community Services District and are available to any interested party on request.

The District reserves the right to reject any and all bids.

A full ten percent (10%) retention will be deducted from all progress payments. The final retention will be authorized for final payment thirty-five (35) days after the date of recordation of the Notice of Completion.

Materials and equipment delivered but not incorporated into the work will not be included in the estimate for progress partial payment.

The Contractor may receive interest on the retention for the time of construction, or receive the retention itself, if surety of equal value is substituted with an escrow holder.

At the request and expense of the Contractor, surety equivalent to the retention may be deposited with the State Treasurer or a State or Federally chartered bank as the escrow agent, who shall pay such surety to the Contractor upon satisfactory completion of the contract.

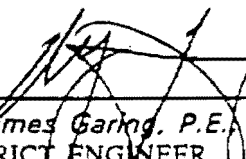
Surety eligible for investment shall include that listed in Section 16430 of the STATE GOVERNMENT CODE or bank or savings and loan certificates of deposit.

Any escrow agreement entered into shall contain the following provisions:

- (a) The amount of surety to be deposited;*
- (b) The terms and conditions of conversion to cash in case of default of the Contractor; and*
- (c) The termination of the escrow upon completion of the contract.*

Nipomo Community Services District  
STATE OF CALIFORNIA

Date: 29 Jan 98

  
\_\_\_\_\_  
R. James Garing, P.E.  
DISTRICT ENGINEER





TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: MAY 20, 1998

**PROPOSITION 224 - DESIGN & ENGINEERING SERVICES, STATE FUNDED**

Proposition 224, which is on the June ballot, is called the "Government Cost Savings and Taxpayer Protection Amendment." This initiative was financed by the State of California Engineers and Architects employees. If the proposition passes, it would require all state and regional governments to send all proposals, planning and designs for projects to the State for review and possible design by State employees. The State universities are exempt from Proposition 224.

The California Special Districts Association oppose Prop 224 because it will reduce competition and initiate additional delays and higher costs for the people of California.

Attached is information on this initiative and Resolution No. 98-Prop 224 for the Board's consideration and adoption. If adopted, this resolution will be forwarded to the news media and our State representatives.

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**RESOLUTION NO. 98-PROP 224**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
OPPOSING PROPOSITION 224 -  
THE SO-CALLED "GOVERNMENT COST SAVINGS AND  
TAXPAYERS PROTECTION AMENDMENT"**

**WHEREAS**, every day billions of dollars of critical building, engineering and design projects are underway from seismic retrofitting to flood control to schools and hospitals, and

**WHEREAS**, State, regional and local governments are currently allowed the flexibility to contract with private firms, on a competitive basis, to design these projects, and

**WHEREAS**, this process allows government the essential flexibility to use private firms to deliver a project on time and cost effectively, and

**WHEREAS**, the so-called "Government Cost Savings and Taxpayers Protection Amendment" completely changes the process by giving the state bureaucracy a virtual monopoly on design every project, and

**WHEREAS**, this will thereby force cities, counties, schools, special districts, regional governments and even many private businesses to use the state bureaucracy to design roads, parks hospitals, health clinics, water treatment facilities, flood control projects and other critical structures-including all engineering, design, geological and environmental work, and

**WHEREAS**, virtually every school and hospital has been designed by private firms, no state government, and

**WHEREAS**, the proposed initiative eliminates local control and forces communities to rely on the out-of-town state bureaucracy for their design work, and

**WHEREAS**, local governments would not be able to hold the state bureaucracy accountable, and

**WHEREAS**, the initiative gives one state politician enormous power to decide who gets tens of thousands of design and building projects worth billions of dollars, and

**WHEREAS**, the State Controller would have to analyze tens of thousands of proposed contracts per year costing taxpayers hundreds of thousands of dollars, if not millions, in additional expenses, and

**WHEREAS**, to meet potential workload demands, hundreds, if not thousands, of state employees would need to be employed and paid, even if no projects were underway, and

**WHEREAS**, taxpayers would pick up the tab for billions in extra costs for projects, lost jobs, and more state employees to evaluate projects, and

**WHEREAS**, this could mean more delays on important projects for agencies in California and possibly future projects for this District, and

**RESOLUTION NO. 98-PROP 224  
PAGE TWO**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
OPPOSING PROPOSITION 224 -  
THE SO-CALLED "GOVERNMENT COST SAVINGS AND  
TAXPAYERS PROTECTION AMENDMENT"**

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT** does hereby oppose Proposition 224, the so-called "Government Cost Savings and Taxpayers Protection Amendment."

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and on the following roll call vote, to wit:

AYES:           Directors  
NOES:  
ABSENT:  
ABSTAIN:

the foregoing resolution is hereby adopted this 20th day May 1998.

\_\_\_\_\_  
Alex Mendoza, President, Board of Directors  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Donna K. Johnson  
Secretary to the Board

\_\_\_\_\_  
Jon S. Seitz  
General Counsel

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**Proposition 224**  
**Design and Engineering Services, State-Funded.**  
**Cost Analysis. Civil Service. Competitive Bidding.**  
**Contractor Responsibility.**  
**Initiative Constitutional Amendment**

## Background

Under California law, services provided by state agencies generally must be performed by state civil service employees. These services cover a broad range of activities--such as clerical support, building maintenance and security, and legal services. In some cases, however, the state may *contract* with private firms to obtain services. Such contracting is allowed, for example, if services needed by the state are: (1) of a temporary nature, (2) not available within the civil service, or (3) of a highly specialized or technical nature. Unlike the state, local governments are not subject to constitutional restrictions on contracting for services.

The state and local governments frequently contract with private firms for construction-related services, which include architecture, engineering, and environmental impact studies. State and local governments enter into these contracts through a process of advertising for the service, selecting the firm that is determined to be best qualified, and negotiating a contract with that firm. Neither the state nor local governments competitively bid for these services. By comparison, competitive bidding generally is used to acquire goods and for construction of projects.

## Proposal

This proposition, a constitutional amendment, requires public entities to use a new process prior to awarding a contract for the following construction-related services: engineering, architecture, landscape architecture, surveying, environmental studies, and geologic studies. (The proposition would not affect contracting out for other types of services.) The new process would apply to:

- All state agencies, except the University of California and the California State University.
- Many local governments and private entities (see below).

<b>Figure 1</b>
<b>What Cost Factors Might Be Counted</b>
As "Additional Direct Costs?"
<b>Cost Factors Likely to Be Counted</b>
<ul style="list-style-type: none"><li>• Salaries and benefits of <i>additional</i> state employees needed to perform a service.</li><li>• Office space, furniture, equipment, and travel expenses for the additional employees.</li></ul>
<b>Cost Factors Likely Not to Be Counted</b>
<ul style="list-style-type: none"><li>• State agency overhead costs ("top management").</li><li>• Other state agency overhead costs--such as payroll, accounting, and personnel functions.</li></ul>

<b>May or May Not Be Counted</b>
<ul style="list-style-type: none"><li>• Hiring and training costs for any additional state employees needed to perform a service.</li><li>• Increased construction costs due to project delays caused by time needed to hire and train additional state employees.</li><li>• Costs of maintaining excess state staff if workload declines.</li></ul>

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## What Is Involved in This New Contracting Process?

**The Cost Comparison.** Under the process established by the proposition, the State Controller would be required to prepare an analysis for each proposed contract and compare the following:

- The cost of contracting with a private firm for the services. This would include the anticipated amount a private firm would charge to provide the services plus the cost to bid, award, administer, and monitor the contract.
- The "additional direct costs" if state employees provide the same services.

Generally, the service could be contracted out if the Controller's analysis indicated that the contract was *less costly* than using state employees. On the other hand, the work would have to be done by state employees if the analysis showed they could do it at lower cost.

**Competitive Bidding.** As noted earlier, public entities currently negotiate contract terms for construction-related services. This proposition requires that such contracts costing more than \$50,000 be competitively bid to select the lowest qualified bidder. Competitive bidding would not have to be used if it would delay a project *and* the delay would endanger public health or safety.

## What Contracts Are Covered Under the Proposition?

**Direct Contracting by the State.** State agencies would have to use this new process if they wanted to contract for construction-related services. In recent years, state agencies have averaged about \$150 million annually in spending on these types of contracts. This amount varies annually depending on the state's level of construction activity.

**Contracts Awarded by Local Governments and Private Entities.** Local governments and private entities would also have to use this new process in the following situations:

- **State Funding of Services for Local Government or Private Projects.** Historically, the state has provided significant funding to local governments for various types of facilities--K-12 schools, local roads, community colleges, jails, and parks. Under the proposition, a local government would have to use the new process if it uses state funds to pay a private firm for any part of a construction-related service.
- **State Ownership, Liability, or Responsibility for a Project.** In many cases, the state assumes ownership, liability, or responsibility for construction, operation, or maintenance of a local project. This is the case, for example, with regard to the building of K-12 and community college buildings and many locally funded highway projects.

## Fiscal Effects

The potential fiscal effects of this proposition on the state and local governments are discussed below.

### Impact on the Cost of Providing Services

The fiscal impact would depend in large part on the determination of which cost factors to use in comparing the cost of contracting out a service with the "additional direct cost" of the state providing the service. The cost of contracting for a service would be determined from the bid submitted by the private firm. On the other hand, because the term "additional direct costs" is not defined in the proposition, the Controller would have to determine which cost factors associated with using state employees should be included in order to prepare the required analyses.

**What Are "Additional Direct Costs?"** Because the proposition does not define "additional direct cost" there is not a clear answer to this question. Figure 1 lists some of the cost factors the Controller would need to review to determine if they should be counted as additional direct costs.

**Cost Analysis on Contract-by-Contract Basis.** A cost analysis would be required on each *individual* contract basis. Thus, a cost analysis may not reflect the accumulation of administrative costs if the state workforce increases to meet workload demand. For example, additional clerical and managerial positions or additional office space for state employees may not be needed for *any one* contract, but could be needed if work on *many* projects were assigned to state employees rather than private firms.

**Fiscal Effect Depends on Cost Comparisons.** The impact of the proposition on state and local costs would depend on the extent to which the cost analyses include all state costs associated with providing these services using state employees. For example:

- If more of the costs associated with using state employees are included in the analyses, it is more likely that they would provide an "apples-to-apples" comparison of total costs. In this case, the proposition could result in savings. This is because public entities would no longer contract in situations where it is *more costly*. These savings, however, probably would not be significant.
- On the other hand, if fewer of the state's costs are counted as "additional direct costs," the analyses would not reflect a true "apples-to-apples" comparison of total costs. In this case, the proposition could result in costs. This is because state employees would be used to perform work where contracting would have been *less costly*.

Because of the uncertainties discussed above, it is difficult to predict the fiscal effect of this proposition. However, a strict interpretation of additional direct costs (for example, only those identified in Figure 1 as "likely to be counted") could result in significant costs to state and local governments.

### **Other Fiscal Impacts**

The proposition would have other fiscal effects on the state and local governments. For instance, the Controller would have costs to perform the required cost analyses. These costs would depend on the number of requests from state agencies and local governments. We estimate the Controller would have both one-time costs of probably less than \$500,000 and ongoing costs of up to \$2 million annually.

The proposition would affect the state and local governments in other ways. For example, it would take time to develop and implement the new process for evaluating contracts. This would lead to one-time delays in certain public sector construction projects, resulting in possible added inflation-related costs for those projects.



# State-Funded Design and Engineering Services. Initiative Constitutional Amendment.

## Argument in Favor of Proposition 224

Vote YES on:

- COMPETITIVE BIDDING
- CONTRACTOR RESPONSIBILITY
- COST SAVINGS through COST COMPARISONS
- Improved SAFETY of our state freeways and bridges
- STOP POLITICAL FAVORITISM AND WASTE

Proposition 224, the "Competitive Bidding Initiative," ends the politicians' practice of giving huge, overpriced, no-bid state engineering contracts to their campaign contributors. By requiring competitive bidding from qualified contractors and holding contractors responsible and financially liable for their own mistakes, it will improve the safety of our freeways, bridges, and other public works. By requiring a cost analysis before contracts are awarded, it ensures that taxpayers get the best value for their dollar. Fair, objective competitive bidding will break the link between campaign contributions and state politicians who give overpriced, no-bid contracts to their contributors.

*"Private contractors receive millions of dollars in work without competition. Reforms are needed to protect the public interest."*—State Auditor Kurt Sjoberg

*"No-bid contracts are always suspect."*—Contra Costa Times

Although state highway and freeway construction contracts are competitively bid, contracts for construction inspection, design, and other services aren't. Instead, Sacramento politicians simply give out these contracts, to their campaign contributors, at twice what they should cost. Proposition 224 ends this political spoils system by requiring competitive bidding.

### END THE WASTE OF YOUR TAX DOLLARS

Official government documents prove that *more than half a billion dollars has been wasted* since 1990 on excessive costs of no-bid contracts under the current system. When contractors walk away from their inferior work, the taxpayers get stuck with the bill for doing it over and repairing the mistakes. Proposition 224 requires *impartial cost analyses* to prove cost effectiveness before contracts are awarded; followed by *competitive bidding* and *contractor responsibility* to ensure that tax dollars are spent wisely.

### IMPROVE HIGHWAY SAFETY

*"Proposition 224 will mean safer highways for all of us."*—Dan Terry, President, California Professional Firefighters

No-bid contracts contributed to corruption and street collapses in Los Angeles, thousands of defects in San Diego bridges, and higher tolls in the Bay Area. While money was being wasted on overpriced, no-bid contracts to campaign contributors, the earthquake strengthening of our freeway bridges was delayed. As a result, bridges which hadn't been strengthened collapsed in earthquakes. Proposition 224 improves highway safety by awarding contracts only to qualified firms through competitive bidding and holding contractors responsible and financially liable for their own mistakes.

*"The ultimate responsibility for faulty workmanship has to be on the part of the contractors hired to do the job. They, not taxpayers, should foot the bill for redoing the work."*—San Diego Union-Tribune

The politicians even allowed a contractor to *hire its own inspectors*, resulting in more than 10,000 defective welds on a bridge strengthening project!

*"When the state of California lets the foxes guard the hen house, no one should be surprised when the chickens get eaten."*—San Diego Union-Tribune

Join with law enforcement, firefighters, teachers, seniors, and small businesses.

VOTE YES ON COMPETITIVE BIDDING:

SAVE LIVES, SAVE MONEY, AND END POLITICAL CRONYISM!

VOTE YES ON PROPOSITION 224!

**DON BROWN**

*President, California Organization of Police & Sheriffs, COPS*

**BEN HUDNALL**

*Business Manager, Engineers & Scientists of California*

**WOODY ALLSHOUSE**

*President, CDF Firefighters*

## Rebuttal to Argument in Favor of Proposition 224

deception: *n.* the practice of deceiving or misleading

The STATE BUREAUCRATS BEHIND PROPOSITION 224 and their political cronies are trying to deceive you.

Ask yourself: Would a state bureaucrats group (mostly Caltrans employees) really spend millions of dollars on a ballot measure to protect YOUR interests? Not likely.

—Will Proposition 224 save taxpayers money? No. Proposition 224 SHIFTS PRIVATE SECTOR JOBS TO the PUBLIC PAYROLL. BIGGER GOVERNMENT. HIGHER TAXES. That's why the CALIFORNIA TAXPAYERS' ASSOCIATION and other MAJOR TAXPAYER GROUPS OPPOSE IT.

—Will it make bidding more competitive? No. Talk about the ULTIMATE DECEPTION! DISGUISED as "competitive bidding," Proposition 224 RIGS the SYSTEM to PROTECT STATE BUREAUCRATS AGAINST COMPETITION from the private sector by virtually PROHIBITING STATE and LOCAL GOVERNMENTS FROM CONTRACTING OUT design, engineering and environmental work.

—Will it save lives? No. It virtually ELIMINATES the USE of PRIVATE SEISMIC EXPERTS, DELAYING and COMPROMISING ALREADY OVERDUE EARTHQUAKE RETROFITTING of HIGHWAYS, SCHOOLS and HOSPITALS.

*"Proposition 224 will also delay construction of additional classrooms needed to reduce class sizes and accommodate the growth in student population."*—California State PTA

—Will it increase accountability? No. Proposition 224 LETS STATE BUREAUCRATS OFF THE HOOK! Current law already holds *private* contractors fully liable for their mistakes. Proposition 224 could also hold them responsible for DANGEROUS HIGHWAY AND BRIDGE DESIGN MISTAKES MADE BY CALTRANS EMPLOYEES (the bureaucrats promoting this deceptive initiative).

BIGGER GOVERNMENT.

HIGHER TAXES.

LESS ACCOUNTABILITY.

DON'T LET THE BUREAUCRATS GET AWAY WITH IT!

IF YOU SUPPORT COMPETITIVE BIDDING . . .

VOTE "NO" on PROPOSITION 224!

**PROFESSOR PAUL FRATESSA**

*Former Chair, Seismic Safety Commission*

**ALLAN ZAREMBERG**

*President, California Chamber of Commerce*

**JANE ARMSTRONG**

*State Chairman, Alliance of California Taxpayers and Involved Voters*

## State-Funded Design and Engineering Services. Initiative Constitutional Amendment.



### Argument Against Proposition 224

**BEWARE:** Proposition 224 is *NOT* what it pretends to be. It's a wolf in sheep's clothing.

That's why EARTHQUAKE SAFETY EXPERTS, CITIES, COUNTIES, SCHOOL DISTRICTS, HOSPITALS, BUSINESSES, LABOR, TEACHERS, PARENTS and TAXPAYER GROUPS throughout California *OPPOSE PROPOSITION 224!*

—WHO'S BEHIND PROPOSITION 224? WHY HAVE THEY *DISGUISED* ITS REAL PURPOSE?

A group of state bureaucrats (primarily Caltrans employees) spent *millions* to put Proposition 224 on the ballot. Why? They *want* you to believe it's to save taxpayers money. Would a state bureaucrats group really spend millions of their *OWN* dollars to save *YOU* money? Hardly.

Read the fine print! *DISGUISED* as a "competitive bidding" initiative, Proposition 224 creates a *RIGGED* formula that virtually *PROHIBITS* STATE GOVERNMENT, CITIES, COUNTIES and SCHOOL DISTRICTS FROM CONTINUING to CONTRACT for design, environmental and engineering work with the private sector.

—PROPOSITION 224 *VIRTUALLY PROHIBITS* THE CONTINUED USE OF PRIVATE SECTOR SEISMIC EXPERTS TO MAKE HIGHWAYS, OVERPASSES AND BRIDGES EARTHQUAKE-SAFE.

Contracting out design work for seismic retrofitting, schools, hospitals, highways and bridges keeps the government payroll from ballooning and permits the use of private expertise. Proposition 224 would essentially halt this practice. The bureaucrats behind Proposition 224 want more work brought *in-house*, *CREATING MORE PUBLIC PAYROLL JOBS.*

—PROPOSITION 224 REPRESENTS A HUGE SHIFT OF JOBS FROM THE PRIVATE SECTOR TO THE PUBLIC PAYROLL. *MORE STATE BUREAUCRATS! BIGGER GOVERNMENT! HIGHER TAXES!*

Economic analysis reveals it would mean thousands of *LOST PRIVATE SECTOR JOBS* and force California to *HIRE* up to 15,600 *NEW BUREAUCRATS* at a *TAXPAYER COST* of \$1,700,000,000 *ANNUALLY*—that's *BILLION*, with a "B".

—LOCAL GOVERNMENTS *OPPOSE* PROPOSITION 224. IT *TAKES AWAY* LOCAL CONTROL. *CREATES* COSTLY BUREAUCRATIC DELAYS AND GIVES ONE POLITICIAN *ENORMOUS* NEW POWERS.

It forces cities, counties and school districts to seek the state controller's approval before contracting out design work on school, road, hospital, water treatment and other building projects. That's *TOO MUCH POWER* to give ONE POLITICIAN. It would *DELAY* VITAL PROJECTS and *REDUCE* TAXPAYER ACCOUNTABILITY.

—THESE AND HUNDREDS OF OTHER GROUPS SAY: VOTE NO on PROPOSITION 224!

California Taxpayers' Association *OPPOSES*

Alliance of California Taxpayers and Involved Voters *OPPOSES*

Responsible Voters for Lower Taxes *OPPOSES*

Howard Jarvis Taxpayers Association *OPPOSES*

Structural Engineers Association of California *OPPOSES*

American Institute of Architects *OPPOSES*

League of California Cities and over 100 cities and counties *OPPOSE*

California Teachers Association *OPPOSES*

California School Boards Association *OPPOSES*

California State PTA *OPPOSES*

National Federation of Independent Business *OPPOSES*

California Association of Homes and Services for the Aging *OPPOSES*

California Healthcare Association *OPPOSES*

California Building Industry Association *OPPOSES*

California Chamber of Commerce *OPPOSES*

Consulting Engineers and Land Surveyors of California *OPPOSES*

California Minority & Women Businesses Coalition *OPPOSES*

California Council for Environmental and Economic Balance *OPPOSES*

California Association of School Business Officials *OPPOSES*

Association of California Water Agencies *OPPOSES*

California Park and Recreation Society *OPPOSES*

State Building and Construction Trades Council of California, AFL-CIO *OPPOSES*

Operating Engineers, Local 3, AFL-CIO *OPPOSES*

California Association of Realtors *OPPOSES*

Associated General Contractors *OPPOSES*

and

HUNDREDS of SEISMIC ENGINEERS *OPPOSE PROPOSITION 224!*

**LARRY MCCARTHY**

*President, California Taxpayers' Association*

**LORING A. WYLLIE, JR.**

*Past President, Earthquake Engineering Research Institute*

**RON BATES**

*President, League of California Cities*

### Rebuttal to Argument Against Proposition 224

90% OF THE OPPOSITION'S CAMPAIGN MONEY COMES FROM CONSULTANTS WHO RECEIVE NO-BID GOVERNMENT CONTRACTS! Of course, they oppose Prop. 224's requirements for cost effectiveness, competitive bidding, and contractor responsibility! If it passes, their gravy train will run out of gravy! All the pork will be gone from their political pork barrel!

THE SAME GANG THAT OPPOSED PROPOSITION 13 OPPOSES PROPOSITION 224! The Chamber of Commerce (big business), the League of Cities (local politicians), CalTax and others. Voters ignored them and approved Proposition 13, saving billions for taxpayers. Vote yes on Prop. 224!

"We are very strong supporters of privatization, but the only way it is going to work is to have open bidding," Joel Fox, President, Howard Jarvis Taxpayers Association; San Bernardino Sun, 9/12/95.

L EARTHQUAKE SAFETY EXPERTS, THE ENGINEERS W. DESIGN AND BUILD OUR BRIDGES, SUPPORT PROPOSITION 224. So do the Engineers and Architects Association, and the Council of Engineers and Scientists Organizations.

America is based on competition. *COMPETITIVE BIDDING AMONG QUALIFIED FIRMS* saves money and cuts bureaucracy. *HOLDING*

CONTRACTORS RESPONSIBLE for their work improves highway and bridge safety. Claims that competitive bidding will raise taxes, cause delays, or prohibit contracting out are ridiculous! Will competitive bidding *SAVE TAXPAYERS MONEY? OF COURSE IT WILL!*

"We need competitive bidding. The current system favors the big boys, excludes small companies, promotes corruption, and wastes tax dollars."

Edmundo Lopez, President, Hispanic Contractors Association

*BREAK THE LINK BETWEEN CAMPAIGN CONTRIBUTIONS AND NO-BID CONTRACTS.*

*COMPETITIVE BIDDING MAKES SENSE. YES ON PROPOSITION 224!*

**ARTHUR P. DUFFY**

*Chairman, Taxpayers for Competitive Bidding*

**LOIS WELLINGTON**

*President, Congress of California Seniors*

**EDMUNDO LOPEZ**

*President, Hispanic Contractors Association*



## What Contracts Are Covered Under the Proposition?

**Direct Contracting by the State.** State agencies would have to use this new process if they wanted to contract for construction-related services. In recent years, state agencies have averaged about \$150 million annually in spending on these types of contracts. This amount varies annually depending on the state's level of construction activity.

**Contracts Awarded by Local Governments and Private Entities.** Local governments and private entities would also have to use this new process in the following situations:

- **State Funding of Services for Local Government or Private Projects.** Historically, the state has provided significant funding to local governments for various types of facilities—K-12 schools, local roads, community colleges, jails, and parks. Under the proposition, a local government would have to use the new process if it uses state funds to pay a private firm for any part of a construction-related service.
- **State Ownership, Liability, or Responsibility for a Project.** In many cases, the state assumes ownership, liability, or responsibility for construction, operation, or maintenance of a local project. This is the case, for example, with regard to the building of K-12 and community college buildings and many locally funded highway projects.

## FISCAL EFFECTS

The potential fiscal effects of this proposition on the state and local governments are discussed below.

### Impact on the Cost of Providing Services

The fiscal impact would depend in large part on the determination of which cost factors to use in comparing the cost of contracting out a service with the "additional direct cost" of the state providing the service. The cost of contracting for a service would be determined from the bid submitted by the private firm. On the other hand, because the term "additional direct costs" is not defined in the proposition, the Controller would have to determine which cost factors associated with using state employees should be included in order to prepare the required analyses.

**What Are "Additional Direct Costs?"** Because the proposition does not define "additional direct cost" there is not a clear answer to this question. Figure 1 lists some of the cost factors the Controller would need to review to determine if they should be counted as additional direct costs.

**Cost Analysis on Contract-by-Contract Basis.** A cost analysis would be required on each *individual* contract basis. Thus, a cost analysis may not reflect the accumulation of administrative costs if the state workforce increases to meet workload demand. For example, additional clerical and managerial positions or additional office space for state employees may not be needed for *any one* contract, but could be needed if work on *many* projects were assigned to state employees rather than private firms.

**Fiscal Effect Depends on Cost Comparisons.** The impact of the proposition on state and local costs would depend on the extent to which the cost analyses include all state costs associated with providing these services using state employees. For example:

- If more of the costs associated with using state employees are included in the analyses, it is more likely that they would provide an "apples-to-apples" comparison of total costs. In this case, the proposition could result in savings. This is because public entities would no longer contract in situations where it is *more costly*. These savings, however, probably would not be significant.
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Because of the uncertainties discussed above, it is difficult to predict the fiscal effect of this proposition. However, a strict interpretation of additional direct costs (for example, only those identified in Figure 1 as "likely to be counted") could result in significant costs to state and local governments.

Figure 1

## What Cost Factors Might Be Counted As "Additional Direct Costs?"

### Cost Factors Likely to Be Counted

- Salaries and benefits of *additional* state employees needed to perform a service.
- Office space, furniture, equipment, and travel expenses for the additional employees.

### Cost Factors Likely Not to Be Counted

- State agency overhead costs ("top management").
- Other state agency overhead costs—such as payroll, accounting, and personnel functions.

### May or May Not Be Counted

- Hiring and training costs for any additional state employees needed to perform a service.
- Increased construction costs due to project delays caused by time needed to hire and train additional state employees.
- Costs of maintaining excess state staff if workload declines.

### Other Fiscal Impacts

The proposition would have other fiscal effects on the state and local governments. For instance, the Controller would have costs to perform the required cost analyses. These costs would depend on the number of requests from state agencies and local governments. We estimate the Controller would have both one-time costs of probably less than \$500,000 and ongoing costs of up to \$2 million annually.

The proposition would affect the state and local governments in other ways. For example, it would take time to develop and implement the new process for evaluating contracts. This would lead to one-time delays in certain public sector construction projects, resulting in possible added inflation-related costs for those projects.

For the text of Proposition 224 see page 70



RECEIVED MAR 30 1998

March 27, 1998

David Phillips  
Cayucos Sanitation District  
201 Cayucos Drive  
Cayucos, CA 93430

Dear David:

I am writing to you today regarding Proposition 224 on the June 2 California ballot. If this initiative passes, it would make contracting out design and engineering services nearly impossible and would slow down state, local and private project investments! The bottom line is, **you will no longer have any say in who gets YOUR design and engineering contracts!**

Do you require the specific expertise of private contractors such as seismic experts for your project? If Prop. 224 passes, you won't be able to hire them. **The State Controller will decide. And in virtually all cases, those contracts will be required to go to state bureaucrats!**

You may have heard about this initiative and be under the common misperception that it only applies to state and local government projects. Take a closer look at what the measure actually says. Section 3(b) of the initiative states:

*"This section shall also apply to contracts for services specified in subsection (a) awarded by private entities when the contract includes expenditure of state funds or involves a program, project, facility or public work for which the state or any state agency has or will have ownership, liability or responsibility for construction operation or maintenance."*

This broad use of language is intentional! Ask yourself: Why would a group of state bureaucrats spend \$2 million to place this initiative on the ballot? To protect your interests? Not likely. The truth is, Prop 224 re-writes the law to virtually prohibit cities, counties, school districts, the state government and private entities from contracting out projects to private sector design, engineering or environmental experts.

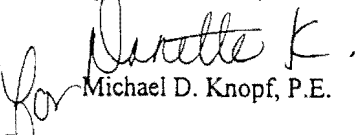
**How can they do that?** Buried in the fine print, Prop. 224 promoters rigged the cost-analysis so that virtually all the work will go to them and not private firms. If Prop. 224 passes, **in almost all cases, A/E contracts cannot be awarded to private A/E firms. State employees must to the A/E work - even for private contracts.**

Please make your employees aware of Proposition 224 on the June 2 ballot and urge them to register to vote. If you would like more information on how you can help defeat Prop. 224, please contact me or visit the campaign web site at [www.no224.org](http://www.no224.org).

The deadline to resister to vote in the June 2 election is May 4, 1998! **And remember to vote "NO" on Proposition 224.**

Sincerely,

QUAD♦KNOPF, INC.

  
Michael D. Knopf, P.E.

Planning ■ Environmental Sciences ■ Civil Engineering ■ Architecture ■ Surveying

(209) 733-0440/ FAX (209) 733-7821 ■ 5110 W. CYPRESS/ P. O. BOX 3699, VISALIA, CALIFORNIA 93278

# WHY CALIFORNIA SPECIAL DISTRICTS ASSOCIATION OPPOSES THE COMPETITION KILLER INITIATIVE

Special districts are facing a loss of local control over important infrastructure projects and enormous construction delays if an initiative, sponsored by a state engineers group, passes. PECG has spent more than \$2 million to place an initiative on the next statewide ballot (June, 1998) that they claim helps taxpayers. But it's really a Competition Killer. Every local government agency will be impacted including, mosquito abatement districts, water districts, sanitary districts, sewer districts, community services districts, recreation and park districts.

## ELIMINATES LOCAL CONTROL:

**The core issue with this Initiative is a simple one: Should virtually all design and engineering project development work be done by state employees instead of consultants hired and managed by local officials?**

The Competition Killer Initiative applies to all local architecture and engineering contracts if the project involves the expenditure of any amount of state funds or if the state has any form of ownership, responsibility or liability.

Specifically, it requires each and every state, local and private projects to submit A/E contracts to the State Controllers Office to conduct a cost-analysis comparing private sector and state civil service costs to perform that project. With some minor exceptions, contracts cannot be awarded to private A/E firms if this cost comparison shows that civil service costs might be lower than private costs for performing these contracts.

*"This section shall also apply to contracts for services specified in subsection (a) awarded by private entities or local public entities when the contract awarded by the public or private entity involves expenditure of state funds or involves a program, project, facility or public work for which the state or any state agency has or will have ownership, liability or responsibility for construction, operation or maintenance." Section 3(b)*

**Here's the rub:** Initiative promoters rigged the cost-analysis against private firms by making bureaucratic costs appear artificially low by ignoring important items such as employee salaries and other overhead.

That means, in almost all cases, your agency

won't be able to award an A/E contract to the firm you choose. What are your options? The initiative provides only one explicit alternative: State employees must do the A/E work instead of contractors chosen by and accountable to local officials.

## PROJECT DELAYS:

Faced with reviewing tens of thousands of projects, the State Controller's Office would become a project bottleneck for state, local and private projects. Moreover, the initiative specifies no deadline by which the State Controller must act. And currently, this office has no engineering or architectural expertise. And what's more, local agencies would have no say in the process.

***"The proposed PECG Initiative will add to state bureaucracy and generate significant additional opportunity for project delay."***



## INCREASES STATE BUREAUCRACY

By creating a rigged bidding system, the Competition Killer initiative effectively requires that virtually all architectural and design work be shifted to state employees. If it becomes law, the state would be forced to hire up to 12,000 new employees at a cost of \$1.5 billion a year.

## WHO IS PROMOTING THE COMPETITION KILLER INITIATIVE?

A state engineers group known as Professional Engineers in California Government (PECG) has spent more than \$2 million to place this initiative on the ballot. They claim it's to help taxpayers, but their real goal is to feather their own nest at the expense of taxpayers.

*"If passed, (the Competition Killer initiative) would completely change the way state and local governments contract for engineering and design work by giving the state total control of nearly every building project in California."*

City of Pleasanton

*"The proposed initiative will have a major economic impact on the local economy by delaying the construction and repair of critically needed infrastructure."*

County of Los Angeles  
Department of Public Works

**FED UP!**

## WHO OPPOSES THE COMPETITION KILLER INITIATIVE?

California Special Districts Association, League of California Cities, California Contract Cities Association, American Planning Association California Chapter, Association of California Water Agencies, California Association of Sanitation Agencies, Association of California School Administrators, California Transit Association, Olivenhain Municipal Water District, Vista Irrigation District, Los Angeles County, Riverside County Transportation Commission, City of San Jose, San Gabriel Valley Council of Governments, Contra Costa Transportation Authority, Santa Clara County Cities Association, Santa Cruz County, Sonoma County, Fresno County, California Building Industry Association, Associated General Contractors of California, Consulting Engineers and Land Surveyors of California, American Institute of Architects California Council, California Chamber of Commerce, California School Boards Association, California Taxpayers' Association.

### Taxpayers Fed Up With More State Bureaucracy.

a coalition of business, engineers, architects, and taxpayers.  
111 Anza Boulevard, Suite 406 • Burlingame, CA 94010  
(415) 340-0470 • FAX (415) 340-1740



American Society of Civil Engineers

# Newsletter

Newsletter for the San Luis Obispo / Central Coast Branch • April 1998

## PRESIDENT'S PERSPECTIVE

This month seemed to be a bits & pieces month, as my passion for the mundane seemed to have again been somewhat extinguished by the "tail flailing" wetness of El Nino.

However, I am pleased to congratulate Cal Poly student Scott Beck who was awarded a \$2,000 ASCE Tapman scholarship. This is only one of many which are presented for academic and extra-curricular excellence from approximately \$1 million of scholarship endowments.

Proposition 224



Ah, but passion commeth! How many of you have/haven't heard about the impending Proposition 224 vote coming up on June 2nd? This is the State Constitutional Amendment proposed to prohibit contracting where performance of work by civil service employees is less costly unless there is an urgent need for contracting out. Could this be a "brotherhood buster", pitting the public employee civil engineering sector against the consulting engineering community? Thomas Maddock, Chairman of the Board of Directors of Boyle Engineering, accomplished and honored member of many engineering Associations, noted in a 1992 award acceptance speech that engineers need a unified voice to have an impact on public policy issues. This voice is only heard when it first VERBALIZED, and then reinforced with horsepower. i.e. numbers & money. I challenge two of our Branch members(Yes You!) to submit an article to our editor by May 1 giving an opinion on this Proposition! I believe this may be one of the major benefits of being associated with ASCE, an association comprised of more than 120,000 civil engineers worldwide, with a 93% retention rate, with revenues of more than \$34 million this year. We can and do have an impact upon our engineering environment, but we must share our opinion. I find it very interesting that the proposition does not in any way address qualifications based selection. Should it, could it, if so, how could it? Our "professional" profession has fought long and hard for many years to instill the need for qualification based services, and here we are pitting government engineer against private consulting engineer solely on the basis of cost. It does not seem to reinforce our primary banner we wave to the public proclaiming that the best qualified engineer will perform the highly specialized technical efforts required by our fields! And so it seems the "winner" will be the loudest voice, or masses of voices, or those with the most money to advertise, or those who can sling the... I am already reading words line "rigged bidding", "gravy train", "competition killer", "wolf in sheep's clothing", "political cronies", ad nauseam! So where does this leave you? It seems that the deeper we get into our profession, there seems to be a "Paula Jones" of sorts. Is it power, or money, or security, big contracts, notoriety? I hope that qualifications, responsibility, commitment, attention, and community service are somewhere in the running. Maybe it is as simple as a Far Side cartoon showing the master at the Shaolin School of Plumbing holding his hand out to his student, saying "When you can snatch this crescent wrench from my hand, Little Flusher, it will be time for you to go. Time for me to go!

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: MAY 20, 1998

ASSEMBLY CONSTITUTIONAL AMENDMENT NO. 42

At the last Board meeting, Director Blair mentioned some legislation going through the State Legislature that may affect the District tax revenues.

Staff has done some research and found that ACA#42, which would protect city and county taxes authority and insure the allocation of taxes to agencies, is proceeding through the legislature. The text is attached for the Board's review. Also attached is the legislative staff's report on AB 95, 782, and 226. After the Board reviews these items, they may direct staff accordingly.

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ACA 42 Local government finance: authority and accountab  
BILL NUMBER: ACA 42

INTRODUCED 04/15/98

BILL TEXT

INTRODUCED BY Assembly Member Aguiar

APRIL 15, 1998

Assembly Constitutional Amendment No. 42--A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 15 of Article XI thereof, by amending Sections 24 and 29 of Article XIII thereof, by amending subdivision (a) of Section 1 of, and by adding Section 1.5 to, Article XIII A thereof, by amending Section 6 of Article XIII B thereof, and by adding Section 20 to Article XVI thereof, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 42, as introduced, Aguiar. Local government finance: authority and accountability.

(1) The California Constitution requires that revenues derived from taxes imposed pursuant to the Vehicle License Fee Law or its successor be allocated to counties and cities in the manner provided by statute.

This measure would modify this allocation requirement to instead require that these revenues be allocated to counties and cities in the manner prescribed by a specified statute as that statute read on January 1, 1998. This measure would also specify that no amendment or repeal of the Vehicle License Fee Law, or its successor, may take effect for any fiscal year unless the Legislature has appropriated, prior to the beginning of that fiscal year, an amount of money for allocation to counties and cities during that fiscal year that fully offsets any reduction in the total amount of revenue that would otherwise have been allocated under the Vehicle License Fee Law.

(2) The California Constitution prohibits the Legislature from imposing a tax for a local purpose but authorizes the Legislature to allow local governments to impose taxes.

This measure, entitled the Taxpayer Right to Know and Government Accountability Act, would also prohibit the Legislature from reducing the amount, or redirecting the allocation, of revenue that is derived from a local general or special tax.

(3) The California Constitution authorizes the Legislature to allow local agencies to enter into contracts to apportion between them the revenues derived from any local sales or use tax that is collected by the state on their behalf.

This measure would delete authorization by the Legislature as a condition to a sales or use tax revenue apportionment contract among local agencies.

Existing statutory law, set forth in the Sales and Use Tax Law and the Bradley-Burns Uniform Local Sales and Use Tax Law, permits cities and counties to impose local sales and use taxes.

This measure would make the local taxing authority given to cities and counties under specified statutes a constitutional entitlement.

(4) The California Constitution requires ad valorem property

tax revenues to be collected by the counties and allocated among the local jurisdictions within each county as provided by law.

This measure would require, subject to specified exceptions, beginning in the 1998-99 fiscal year, that ad valorem property tax revenues be apportioned according to the law in effect on the operative date of this measure. The measure would also prohibit the Legislature from modifying the proportionate share of ad valorem property tax revenue.

(5) The California Constitution generally requires the state to reimburse local governments for the costs of a new program or increased level of service mandated by the state.

This measure would state the intent of this requirement.

(6) The California Constitution does not establish any requirements with respect to the accountability of local governments to their constituents with respect to fiscal matters.

This measure would require each local government to design and conduct, in connection with each budget period, a process that provides the public with the opportunity to provide input into the development of public service goals and expenditure priorities for that budget period. This measure would also require each local government, after the close of each budget period, to issue a written report on its compliance with its public service goals and spending priorities for that period. This measure would also require each local government to undergo a financial audit upon the conclusion of each budget period and to present the results of that audit at a public meeting.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its 1997-98 Regular Session commencing on the second day of December 1996, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California that the Constitution of the State be amended as follows:

First--That the people of the State of California find and declare all of the following:

(a) The California Constitution emphasizes the importance of local control of local government fiscal decisions. Articles XIIIIC and XIIIID give taxpayers a greater role in determining whether local taxes for local programs should be imposed, increased, reduced, or terminated.

(b) However, in recent years, the State has diverted locally collected tax revenues from cities, counties, and special districts in order to resolve its own budgetary difficulties. The State should not be allowed to frustrate the intent of local jurisdictions and their citizens by appropriating locally assessed and collected revenues for state purposes.

(c) It is the intent of this measure to ensure that locally collected revenues are available to fund essential city, county, and special district services and that local governments are held accountable for the expenditure of those revenues, thereby increasing and enhancing the fiscal autonomy and responsibility of local governmental entities.

(d) Fiscal autonomy for cities, counties, and special districts can be achieved in a manner that does not reduce funding for schools.

(e) It is the further intent of this measure to strengthen



and clarify the requirement set forth in the California Constitution that the State reimburse local governments when it mandates a new program or a higher level of service.

(f) This measure shall be known and may be cited as the Taxpayer Right to Know and Governmental Accountability Act.

Second--That Section 15 of Article XI thereof is amended to read:

SEC. 15. (a) All revenues from taxes imposed pursuant to the Vehicle License Fee Law, or its successor, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, shall be allocated to counties and cities {- according to statute -} {+ in the manner prescribed by Section 11005 of the Revenue and Taxation Code as that section read on January 1, 1998 +} .

(b) {- This section shall apply to those taxes imposed pursuant to that law on and after July 1 following the approval of this section by the voters -} {+ No amendment or repeal of the Vehicle License Fee Law, or its successor, shall be operative for any fiscal year unless the Legislature has appropriated, prior to the beginning of that fiscal year, an amount of money, for allocation during that fiscal year to counties and cities, that fully offsets any reduction in the total amount of revenues that would otherwise have been allocated during that fiscal year to local agencies pursuant to that law. After the beginning of a fiscal year for which the Legislature has complied with the reimbursement requirement of this subdivision, no statute may be enacted that reduces or eliminates the amount of that reimbursement for that fiscal year +} .

Third--That Section 24 of Article XIII thereof is amended to read:

SEC. 24. {+ (a) The power to impose general or special taxes is vested in the voters of each local government in accordance with Article XIIIIC.

(b) +} The Legislature may not impose taxes for local purposes but may authorize local governments to impose them. Money appropriated from state funds to a local government for its local purposes may be used as provided by law. Money subvented to a local government under Section 25 may be used for {- State -} {+ state +} or local purposes. {+

(c) The Legislature may not reduce the amount, or redirect the allocation, of the revenues raised by a local general or special tax.

(d) This section does not authorize a city, county, or city and county to impose a general or special tax that, prior to the effective date of the Taxpayer Right to Know and Government Accountability Act, has been determined to be preempted by state law, unless the enactment that gave rise to the preemption has been declared unconstitutional by an appellate court or repealed.

(e) For the purposes of this section, "general tax," "special tax," and "local government" have the meanings set forth in Section 1 of Article XIIIIC. +}

Fourth--That Section 29 of Article XIII thereof is amended to read:

SEC. 29. {- The Legislature may authorize counties -} {+ (a) The authority granted to cities and counties by the Bradley-Burns Uniform Local Sales and Use Tax Law or its successor to impose a sales and use tax, and the separate authority granted to cities and counties by the Sales and Use Tax Law to increase the sales tax rates, pursuant to the law in effect on the date the Taxpayer Right to Know and Government Accountability Act takes effect, are vested in each city and county.

to reimburse {- such -} {+ that +} local government for the costs of {- such -} {+ the +} program or increased level of service, except that the Legislature may, but need not, provide {- such -} {+ a +} subvention of funds for the following mandates: {-

(a) -} {+

(1) +} Legislative mandates requested by the local agency affected {- ; -} {+ . +} {-

(b) -} {+

(2) +} Legislation defining a new crime or changing an existing definition of a {- crime; or -} {-

(c) -} {+ crime.

(3) +} Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975. {+

(b) It is the intent of this section, in light of the restrictions imposed by Article XIII A, this article, Article XIII C, and Article XIII D upon the fiscal authority of local governments, to prohibit the State from shifting responsibility for public programs and services to local governments without providing full and timely reimbursement for the additional costs incurred by local governments in providing those programs and services. This section shall be construed to fulfill this intent, in order to ensure that local revenues are available, without interference from the State, to fund local programs and services, and that the State funds state-imposed programs and services with its own funds. +}

Eighth--That Section 20 is added to Article XVI thereof to read:

SEC. 20. (a) (1) In conjunction with each adoption of a budget, each local government, as defined in Section 1 of Article XIII C, shall design and conduct a process that provides the public with the opportunity to provide input into the development of public service goals and spending priorities for the period to which that budget applies, and results in a written report of those public service goals and spending priorities.

(2) After the close of each budget period, each local government shall issue a written report that describes both of the following:

(A) How its provision of services achieved the public service goals during that period, noting any deviations and the reasons therefor.

(B) How its expenditures during that period conformed to its spending priorities for that period, noting any deviations and the reasons therefor.

(3) Each local government shall undergo a financial audit upon the conclusion of each budget period, and shall present the findings of that audit at a public meeting.

(b) (1) This section does not supersede, preempt, or otherwise modify the budget and fiscal provisions of a city or county charter adopted under the authority of this Constitution, including Section 3 of Article XIII C.

(2) The purpose of this section is to enhance the ability of local taxpayers to hold their elected local officials accountable with respect to the collection and expenditure of local revenues. All reports and information that are issued by a local government pursuant to this section are public records, open for public inspection.

Ninth--That this measure shall be liberally construed to effect its purposes of enhancing local fiscal self-determination and reducing the influence of the State in local fiscal affairs.

Tenth--That the provisions of this measure are severable. If

CSDA Legislative Status Report  
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CA AB 95

**AUTHOR:** Sweeney  
**TITLE:** Local government finance: property tax revenue  
**INTRODUCED:** 01/06/1997 URGENCY  
**LAST AMEND:** 05/13/1997  
**LOCATION:** Senate Appropriations Committee  
**SUMMARY:**

Modifies property tax revenue reduction and transfer requirements, commencing with the 1997-98 fiscal year, by requiring that each reduction and transfer amount calculated for a local agency in a county be annually reduced in accordance with an unspecified schedule, and that the revenues not allocated to the county's Educational Revenue Augmentation Fund as a result of these reductions be instead allocated among the local agencies in the county.

BILL-FILE?	PRIORITY	SUBJECT	POSITION
JACKET	1	ERAF	SUPPORT
	03/05/1997	03/25/1998	01/10/1997

CA AB 1782

**AUTHOR:** Strom-Martin  
**TITLE:** Property Taxation: Revenue Allocations  
**INTRODUCED:** 02/06/1998  
**LAST AMEND:** 03/25/1998  
**FILE:** 7  
**LOCATION:** Assembly Second Reading File  
**SUMMARY:**

Relates to existing property tax law which requires that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas; provides that if the reduction, as described, is not taken in the designated fiscal year, it may not be taken in a subsequent year.

BILL-FILE?	PRIORITY	SUBJECT	POSITION
		PROP.TAX	WATCH
		03/25/1998	03/13/1998

SB 2226

**AUTHOR:** Schiff  
**TITLE:** Local government finance: property tax revenue  
**INTRODUCED:** 02/20/1998 URGENCY  
**LOCATION:** Senate Local Government Committee  
**SUMMARY:**

Modifies reduction and transfer requirements, for purposes of property tax revenue allocations, for the 1998-99 fiscal year and each fiscal year thereafter, by prohibiting the total amount allocated to a county's Educational Revenue Allocation Fund pursuant to those requirements from exceeding the total amount allocated to that fund for the 1997-98 fiscal year.

BILL-FILE?	PRIORITY	SUBJECT	POSITION
JACKET	1	ERAF	SUPPORT
	03/13/1998		03/13/1998

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: MAY 20, 1998

**MANHOLE REHABILITATION IMPROVEMENTS**

The District contracted with B & W Precast Construction, Inc. to rehabilitate 17 sewer manholes by rebuilding the manholes and providing a polyurethane coating in Nipomo. This work is now complete. Now is the time to accept such improvements and file a Notice of Completion. Enclosed for the Board's review is a resolution accepting the work and the filing of the Notice of Completion.

It is staff's recommendation that Resolution 98-B & W be approved.

C:\W:\B & W accept.DOC

**RESOLUTION NO. 98-B & W**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING THE MANHOLE REHABILITATION IMPROVEMENTS**

**WHEREAS**, March 4, 1998, the District Board of Directors did award a contract to B & W Precast Construction, Inc. to rehabilitate seventeen (17) sewer manholes, and

**WHEREAS**, B & W Precast Construction, Inc. has completed the rehabilitation of said manholes, and

**WHEREAS**, this District is to file a Notice of Completion upon the completion of said work.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:**

1. The manhole rehabilitation improvements performed by B & W Precast Cohnstruction, Inc. are completed and accepted by this District.
2. The General Manager is to file the Notice of Completion

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and on the following roll call vote, to wit:

AYES: Directors \_\_\_\_\_

NOES:

ABSENT:

ABSTAIN:

the foregoing resolution is hereby adopted this 20<sup>th</sup> day May 1998.

\_\_\_\_\_  
Alex Mendoza, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Donna K. Johnson  
Secretary to the Board

\_\_\_\_\_  
Jon S. Seitz  
General Counsel

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIPOMO COMMUNITY SERVICES DISTRICT  
P.O. Box 326  
Nipomo, CA 93444

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is Nipomo Community Services District
3. The full address of the owner is 148 S Wilson St. P O Box 326  
Nipomo, CA 93444
4. The nature of the interest or estate of the owner is: In fee.

(If other than fee, strike "In fee; and insert, for example, "purchaser under contract of purchase," or "lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES

ADDRESSES

None

6. A work of improvement on the property hereinafter described was completed on May 20, 1998 The work done was:

Rehabilitation of sewer manholes

7. The name of the contractor, if any, for such work of improvement was B & W Precast Construction, Inc.

8. The property on which said work of improvement was completed is in the city of Nipomo

County of San Luis Obispo State of California, and is described as follows: Rehabilitation of sewer manholes

9. The street address of said property is S. Frontage Rd., Division St., and S. Oak Glen Ave.

Dated: \_\_\_\_\_  
Verification for Individual Owner

\_\_\_\_\_  
Signature of owner or corporate officer of owner  
named in paragraph 2 or his agent

No Transferors

**AGENDA ITEM**

**MAY 20 1998**

**11**

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: MAY 20, 1998

MANAGER'S REPORT

Enclosed of the Board's review is the Compliment/Complaint Log

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**COMPLAINT AND COMPLIMENT LOG**

**COMPLAINT LOG - March 1 through April 30, 1998**

DATE	ADDRESS	COMPLAINT	CAUSE	ACTION TAKEN
03/11/98	Vintage	Payment error		Corrected and removed late charge

**COMPLIMENT LOG- MARCH AND APRIL 1998**

DATE	TYPES OF COMPLIMENTS	NUMBER
March and	Nice Building	9
April	Finding Leak	9
	Fast Response	2
	Helpful with a problem	6
	Information	3
	Other - Grateful for water, thanks for years of good service and friendly attitude, grateful for use of building for voting, etc.	8