The Sham SANDAG "Reform" Bill - A Cliff Notes Version

Eddie Sprecco, CEO

This has been a long saga that brought us to the sham "reform" measure Assembly Bill 805. For those of you who are unfamiliar with the issue, SANDAG has been recently called out for not disclosing problems with their revenue estimates prior to last year's infrastructure initiative - Measure "A." In response, Assemblywoman Lorena Gonzalez introduced AB 805 to "reform" SANDAG by consolidating all of the power of the regional planning agency into the hands of a few - her and her buddies....

The problem with calling something a "reform" bill, is the changes proposed have to have a nexus to what the problem is - in other words, actually fix what is broken. For example, if the Cities of San Diego and Chula Vista were desperately trying to ask questions about revenue estimates, and those rascally small cities banded together to stop them from performing oversight, I could see this as being in the ballpark of a reform bill. Top down, heavy handed, but a reform bill. A better reform bill would be to give SANDAG the tools they don't already have, and trust voters to hold their local officials on the SANDAG board accountable to do their jobs.

But, this bill isn't about "reform." It is about political influence and kickbacks to political donors. And, a lot of local "investigative journalists" haven't told these stories. In particular, I have been a little hard on Voice of San Diego. I learned recently, they may have good cause to pass on telling the hard truths. So, in the spirit of cooperation, let me connect the dots on what got us here today, so they don't have to...

Never Stop Being a Hack

Lorena Gonzalez has been carrying water for the Building Trades for some time - as head of the San Diego and Imperial Counties Labor Council, Lorena's main focus was using her position to get more work for the Building Trades Unions. More specifically, the current version of the "Building Trades" as directed by the wishes of the International Brotherhood of Electrical Workers (IBEW). While most large basic trades unions are busy training apprentices, trying to serve their customers and grow the industry, IBEW is using the force of government to grow their share of work, since they can't do it on their own... Lately, some of their efforts result in IBEW taking a bigger piece of the labor pie at the expense of other unions, while at the same time shrinking the pie! This contributed to the current rift in the local labor community - a subject for a whole new article....

Lorena's crew has been involved in a decade of takeovers of school boards that are followed by union-only Project Labor Agreements (PLA) attached to bond measures already passed by voters. Lorena was front and center at efforts to monopolize San Diego Unified School District in
Since then, the model has been followed at Southwestern, Sweetwater, and most recently Grossmont-Cuyamaca Community College District.

In 2013, Lorena took her show on the road to Sacramento, taking with her the Political Director for the San Diego and Imperial Counties Labor Council, Evan McLaughlin, who now serves as her Chief of Staff.

While their office addresses changed, not much else did. Lorena and Evan spend their time pushing legislation that forces adoption of union labor onto municipalities like Civic San Diego - local control be damned! In 2015, Governor Brown vetoed one such Gonzalez bill, AB 504, saying - "This legislation imposes statewide rules on local land-use planning that are intended to address a dispute in one jurisdiction. These are issues that should be determined at the local level." Lorena's aim with AB 504 was the same as the current AB 805 - when you can't win an argument, change the decision makers by force.

After any coordinated takeover, well sounding provisions are introduced. Call them "Project Labor Agreement," "Project Stabilization Agreement," "Skilled Workforce Measure," "Local Hire," "Bid Preference," they all are drafted with the intent to lead to unpopular union-only monopolies - forced onto agencies that ALREADY have voter approved funding. The latest target is SANDAG, with $14 billion in infrastructure funding approved.

From Phony to Real Taxpayers Groups - and other Astroturf

But, how can this happen? With so many local organizations and oversight groups keeping a sharp eye on taxpayer's dollars, how can these takeovers continue? In 2000, Proposition 39 was passed to lower the voting threshold on School Bonds to 55%. To ensure these funds were spent wisely, Prop. 39 included a provision for an oversight committee of various backgrounds, including a representative of a "Bona Fide" Taxpayers Group. Taxpayers groups long ago recognized, and STUDIES SHOW, these union-only PLAs add significant cost to construction programs. They also disrupt established, collectively bargained agreements between labor and management. So, how can unions force PLAs onto districts in the face of such negative oversight? Invent new Taxpayers Groups!

The Middle Class Taxpayers Association is little more than a shell website run by Murtaza Baxamusa - his day job is Director of Planning and Development for... the San Diego Building Trades! Members of this "Taxpayers" group were appointed to various oversight committees of boards, that soon after adopted PLAs. If the name Murtaza sounds familiar, it is because he is one of the recent "whistle blowers" at Civic San Diego - he left Civic after losing the AB 504 union take-over battle. Now, a small group has filed a lawsuit to "reform" Civic San Diego. I wonder what their reforms will look like....

Last year, an ACTUAL taxpayers group - the San Diego County Taxpayers Association (SDCTA), was successful in defeating a bond measure at Grossmont-Cuyamaca College District. Not only had the District gone back on their promise of fair and open competition on a prior bond,
Measure V, they placed a new bond measure on the ballot with union-friendly provisions. It went down in flames...

Since then, labor interests have been actively working to undermine the SDCTA position opposing PLAs. To justify it, they have also been pushing for a new study to measure the impact of PLA's. It reminds me of the recent story out of Seattle - when City leaders didn't like the results of a Minimum Wage impact study, they ordered a new study...

Same ol' broken record

Present day - suddenly, there is a "scandal" at SANDAG that is so egregious, the board needs to be reshaped to Lorena's liking. So, who SHOULD have all of the power of regional planning? Under AB 805 - the Mayor of San Diego and the County Supervisor representing downtown would have all the say on decisions for the entire county. Who is running for Supervisor to represent downtown? Lorena's new husband - Nathan Fletcher. And who was first out of the gate to support him? The San Diego Building Trades (aka IBEW)...

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True Journalistic Oversight Needed

With long time and trusted organizations like SDCTA under attack, journalists are the backstop to corruption, shedding light on these shadowy campaigns. After all, "Democracy dies in Darkness!" or whatever...

Voice of San Diego (VOSD) has been the target of my ire for some months. They hold themselves out as "investigative journalist" but fail to cover the major stories right in front of everyone's faces. I haven't gone so far as call them "fake news" but I have my complaints... A good analogy is a basketball referee. If the ref calls 39 legitimate fouls on one team, and only a few on the opposition, the legitimate calls don't become fake, but the ref's performance taken as a whole, becomes "fake officiating."
VOSD provided the well-needed oversight of SANDAG by breaking the story on revenue estimate problems. Setting aside their partisan leanings for the moment, let's figure out some other reasons they can't cover the bigger stories.

For one, the story they broke on SANDAG was only possible due to use of Public Record Act Requests. To find out what Lorena and her political supporters are really up to, and find that "pay-to-play" smoking gun, a PRA would be a great tool! Unfortunately, the California Legislature has exempted themselves from disclosure when crafting open records laws. Still, can't they just get transparency from Lorena's labor compatriot and Chief of Staff, Evan McLaughlin? After all, he was once an "investigative journalist" with Voice of San Diego... At least they can use the PRA locally to uncover problems at San Diego Unified. If only the District wasn't hurriedly and illegally deleting emails to avoid scrutiny! That's right, the District started to feel the heat from outside PRAs, and decided to "wipe their servers" instead of complying with the requests. And no, not with a cloth...

Well, at least VOSD reporters can ask the hard questions? I gave them grief in a MMQB article on May 30th and questioned why they were pulling coverage at San Diego Unified, given their many scandals and lack of oversight. I got pushback from them saying there was nothing to my "conspiracy theory." Only 11 days later, the VOSD editors admitted their reporters had received ACTUAL death threats from district staff. Now I feel bad for being so harsh on them - sorry Mario and Ashley...

Bottom line, lots of agencies need oversight - not just the ones that comply with transparency laws, don't have former VOSD buddies on staff, and don't threaten reporters.

All Caught Up

If you made it this far, you know more about these shady takeovers than 99% of San Diegans. Unfortunately, the latest takeover attempt - AB 805 - is still moving forward. After regional institutions, the free press and voters have been trampled upon by political forces, is legal action all that's left? The result of AB 805 passing would be costly to taxpayers, the business community, and the civic fabric of San Diego. To support good governance and, once again, support local control, Governor Brown should veto the sham "reform" bill, AB 805.

New Claims Resolution Process - Is it Working Yet?

By Brad Barnum, Executive Vice President

It's been seven months since legislation was enacted that would supposedly simplify the claims resolution process for public works projects. A cumbersome, costly, and ineffective process needed to be overhauled, and AB 626 was passed in 2016 to relieve some of the payment issues between contractors and public agencies. Liquidated damages, late payment for change orders or disputed work, and untimely responses to claims were all too common.

We want to remind you of the new law, which is effective as of January 1st, 2017, and provide you with a good summary written by Finch, Thornton & Baird, LLP. It provides guidance for contractors, and it also reveals a few unanswered questions that may need to be addressed by the Legislature.

It should be noted that Caltrans, Department of Water Resources, Department of Parks and
Recreation, Department of Corrections and Rehabilitation, Department of General Services, the Military Department, and the High-Speed Rail Authority are exempt from AB 626.

As far as our local agencies are concerned, we understand a few of them have implemented AB 626, and revised their contract claims procedures. The others may want to follow suit as soon as possible, as the failure to follow the statutory timelines can impact both the contractor and public agency.

Only time will tell if AB 626 actually provides an avenue for an effective and efficient claims resolution process. We hope it does, as it will allow a public agency to get the most out of every construction dollar.

If you have any questions about AB 626, please contact Jeff Baird of Finch, Thornton & Baird, LLP, or at (858) 737-3100.

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The 5th Annual Summer Mixer & Classic Car / Hot Rod Show is being hosted by the Construction Leadership Council on Tuesday, July 25th - 4:30 p.m. - 7:00 p.m. at the AGC

It's not too late to register to attend, sign-up your classic or hot rod, or become a sponsor.

We hope to see you here!

Questions, please contact Jessica Kovack, AGC Executive Director of Administration at (858) 750-4268.

Interested in what the CLC is all about, or would like to participate on this committee, CLICK HERE

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RAFFLE SPONSOR

KA-POW....AGC's Blood Drive a SUPER Success!
By Marcy Knopman, AGC Blood Drive Coordinator

If you took part in AGC's 4-day Blood Drive, consider yourself a SUPERHERO! AGC's Build & Serve Charitable Alliance Committee held its 7th Annual Blood Drive on July 10-13th at various AGC member company offices throughout the county.

We would like to thank our member hosts, site coordinators, local breweries ("pint for a pint"), the San Diego Blood Bank, LifeStream, volunteers, and of course, YOU... our BLOOD DONOR HEROES! Because of all of your SUPERHERO efforts....we've collected 520 pints of blood, which equates to 1,560 lives saved....now that is a superpower if you ask me (and you don’t even have to run around the house in a cape)!

Super Hosts and their SUPERHERO Site Coordinators:
Hawthorne Cat - Anita Raygoza
Flatiron - Sherry Medeiros
Dynalectric Company - Elizabeth Dudley, Tara Bivins
Sherwood Mechanical - Bob Bridges
Sundt Construction, Inc. - Liz Deilke, Jamie Frye
Turner Construction Company - Darla Wilson
Acme Safety & Supply Corp. - Liz Karty
Helix Electric, Inc. - Amanda Cox, Jocelyn Pilkinson, Aubree Barrett
Oldcastle Precast, Inc. - Sabra Arana, Bob Vildibill
Soltek Pacific - Nicole Steele, Monica Carlin, Dave Carlin
Swinerton Builders - Monika Iannone

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Thank you all for a "MARVEL"ous job!

PHOTO GALLERY

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**AGC Softball Classic Tournament Scheduled for September 23 at the Santee SportsPlex!**

By Rae Krushensky, Director of Meetings & Events, Membership Services

For over 21 years, AGC member companies have competed against each other in a fun day of softball. During this time, friendly rivalries have developed and are still going strong.

The 2017 tournament is scheduled for **Saturday, September 23rd** at the Sportsplex USA in Santee. There's plenty of time to get your team in shape!

Divisions "A" & "B" have always had a strong bracket, and this year will probably be no different. The "C" Division (Co-ed Team) has been experiencing growing popularity the last couple of years, and we expect a record number to sign up this time around, (Minimum of three women required for each team).

The 2016 Division "A" champions was **EC Constructors**, and the Division "C" (Co-Ed) champions was **Bergelectric Corporation**. It was a tough competition, with some really close games. Let's see if they can both retain their titles this year.

Sign up now, get your teams together, and start practicing!

[REGISTER]

Contact [Rae Krushensky](mailto:Rae.Krushensky@AGC.org) with any questions.
AGC 2017 Build San Diego Awards "Call for Entries"

By Rae Krushensky, Director of Meetings & Events, Membership Services

Reminder: AGC San Diego Chapter is accepting entries for the 2017 AGC Build San Diego Awards.

The awards luncheon is proudly sponsored by Hawthorne Cat and Torrey Pines Bank, and is scheduled for November 2, 2017 at the Hilton San Diego Bayfront.

By entering the awards program, you are providing your project team with a fantastic opportunity to showcase their achievements to our panel of exceptional and influential judges, and to the industry.

This program presents awards to AGC members in the following categories:

- Building Construction - Public Work
- Building Construction - Private Work
- Heavy / Highway
- Underground / Utilities
- Unique Small Project - Public Work, not to exceed $6 Million
- Unique Small Project - Private Work, not to exceed $6 Million
- Unique Special Project
- Sustainable Project

The Build San Diego Awards program is open to all General Contractor, Contractor and Specialty Contractor members in good standing with The Associated General Contractors of America, San Diego Chapter, Inc. Emerging members are also eligible.

To be eligible, projects must have been completed between September 1, 2015 - August 31, 2017.

ENTRY DEADLINE: September 1, 2017

Questions? Please contact Rae Krushensky, or (858) 731-8157.

CALL FOR ENTRIES

RECOGNIZING EXCELLENCE IN CONSTRUCTION
AGC San Diego Chapter hosts top notch events monthly - during the summer months at AGC, there's even more opportunities for members to get involved. Here's a snapshot of the "HOT" summer happenings.

**JULY**

**AGC Day at the Races**
Friday, July 21st
Del Mar Racetrack
Hosted by AGC Meetings & Events Committee

**AGC Summer Mixer & Car Show**
Tuesday, July 25th
AGC
Hosted by AGC Construction Leadership Council

**AUGUST**

**EGCA Scholarship Dinner/Cake Auction**
Thursday, August 3rd
San Diego Yacht Club
Hosted by EGCA Foundation

**AGC Affiliate Day Golf Tournament**
Monday, August 7th
Sycuan Resort
Hosted by AGC Affiliate Council

**SDSU Aztec Tailgate, Football & KGB Sky Show**
Saturday, September 2nd
Qualcomm Stadium
Hosted by AGC Specialty Contractors' Council

**AGC Back-to-School Backpack**
JULY CLASSES
July 26  CPR/First Aid & AED Training
July 27  Construction Law: 2017 Mid-Year Legal Updates Seminar
July 27  Permanent Stormwater BMP’s-Constructability
July 27  Effective Business Writing for Contractors
July 31  Confined Space Entry Hands-On Training

AUGUST CLASSES
Aug 1-3  Fall Protection 24-Hour Competent Person Training for
Aug 2   Commercial Blueprint Reading for Construction
Aug 3   Construction Law: Scheduling Impact Claims
Aug 3   QSP-Planning the Implementation of Your SWPPP
Aug 7-8  OSHA 10 HR Construction Outreach Training
Aug 8   Microsoft Project 2013
Aug 9   Commercial Blueprint Reading for Construction
Aug 9-10 CQM Training
Aug 14-15 BIM (Building Information Modeling)
Aug 14-17 OSHA 30 Hour Construction Training
Aug 15   How to Avoid the Seven Deadly Sins of Construction
Aug 15   Project Engineers Boot Camp
Aug 18   BIM Exam
Aug 21   Scaffold Regulation Training-"User Safety Training"
Aug 22   Construction Law: Prevailing Wage Basics & Recent Developments
Aug 22-25 EM 385-1-1 Safety Requirements 40 Hour Training with OSHA 30 Hour
Aug 22   Prevailing Wage-Certified Payroll & Compliance Training
Aug 25   EM 385-1-1 Refresher
Aug 29   Last Planner 1-Day Training
Aug 30   CPR/First Aid & AED Training

The only thing worse than training someone and having them leave, is not training them and having them stay!

For more information on classes, contact: Becca Schaffer at (858) 731-8155.
AGC Monday Morning Quarterback

Meetings are held at the AGC office  (6212 Ferris Square, San Diego 92121)  
unless otherwise noted in red.

**JULY MEETINGS**
- July 20  Affiliate’s Member Council - 11:30 a.m.
- July 28  Construction Technology Committee - 12:00 p.m.

**AUGUST MEETINGS**
- Aug. 2  Safety Committee - 7:00 a.m.
- Aug. 9  Build & Serve Committee - 8:00 a.m.
- Aug. 15 Meetings & Events Committee - 12:00 p.m.
- Aug. 24 Specialty Contractor’s Council - 11:30 a.m.

Get involved in the AGC by serving on one or more AGC committees.  
This is a great way to network with fellow AGC members, and to have a voice in the industry!

**SIGN UP**

About Monday Morning Quarterback

AGC San Diego Chapter’s Monday Morning Quarterback is a "hot off the press" and to the point Monday morning briefing on the important issues facing San Diego’s construction industry. It is prepared by AGC Chief Executive Officer, Eddie Sprecco, and Executive Vice President, Brad Barnum.

Please contact Eddie Sprecco or Brad Barnum with your comments, or with information that should be conveyed to the industry through this service. Well over 3,000 individuals employed by AGC member firms are part of this system.

**ARCHIVE**

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San Diego Chapter, Inc.  
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