

#2, March 2013

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Now that the economy, the stock market, and employment figures are showing signs of recovery, **infrastructure** is getting renewed attention -- rehabilitating what we have and building what we don't. What is the proper role of government and, for projects and programs of statewide significance, state engineers and related professionals? What is the appropriate role for those who work for, are loyal to, and serve the interests of the public?

The largest ongoing public infrastructure program is the **state highway system**. While it's been 20 years since the federal or state gas tax has been increased to fund highway projects, the voters approved a \$20 billion bond and the

federal government authorized stimulus funds in recent years. The last of that money is being spent for construction during the next couple of years, but there is good public awareness of the unmet



needs and growing support for a new revenue stream for highway and other transportation projects.

While most Caltrans engineering work is performed by PECG members, an increasing source of funds is generated by "self help" counties which obtain local voter approval for sales tax increases for transportation. This results in outsourcing of state highway work funded at the local level. However, many of those agencies seems to prefer "design-build" over the historical design-bid-build competitive bidding process for construction. Design-build incorporates design and construction in one contract, typically without competitive bidding.

This process has required authorization in state law. PECG has been successful in insuring that design-build statutes mandate that Caltrans perform the important role of construction inspection on state highways, as well as preliminary design on design-build projects. We have also negotiated agreements with several local agencies, sometimes embodied in new laws, requiring Caltrans' involvement in those design-build projects.

Yet another arena involves new infrastructure programs. One of these is **high-speed rail**. Although initially Caltrans was not scheduled to be involved, it has now been agreed that Caltrans will be responsible for the relocation of Route 99 in Fresno, an important first step in the initial high-speed rail link in the Central Valley. Caltrans may also have



a role in inspecting other segments of the high-speed rail project, at least whenever they affect a state highway. PECG has consistently emphasized the importance of public engineers inspecting the work of construction

contractors on projects involving public safety, rather than having one contractor inspect the work of another contractor. PECG has also supported legislation and regulations furthering this principle at the federal level.



Transportation isn't the only major infrastructure arena. The Governor is endorsing a major new project to construct two large tunnels under the Sacramento Delta to facilitate water conveyance. Once again,

PECG is involved in seeking to ensure that state engineers are heavily involved in this important project affecting statewide water conveyance and distribution.

Not surprisingly, private engineering firms and some politicians oppose PECG's efforts to ensure a meaningful role for those who work for and are loyal to the public. PECG will continue to insist that state engineers must have a significant role in infrastructure projects of statewide significance and that public engineers, not private consultants, must conduct inherently governmental functions, such as construction inspection on public safety projects.

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## **PECG Endorses Chiang, Jelincic, and Bilbrey**

**S** tate Controller John Chiang has been a staunch supporter of state employees since his election six years ago. As the man who signs the state's checks, he consistently rejected demands by the previous Governor and others to withhold paychecks or reduce them to minimum wage when the Legislature was late with the state budget. He also refused to implement furlough salary reductions unless ordered to do so by the Legislature or the courts.



State Controller John Chiang PECG endorsed Jelincic and Bilbrey when they originally ran

with an extensive labor background.

for CalPERS office. Both have served the interests of state and other public employees exceptionally well. Their terms end on January 15, 2014 and they have sought PECG's endorsement for their reelection. The PECG Board of Directors voted unanimously to endorse the reelection of JJ Jelincic and Michael Bilbrey.

by all employees and retirees in the system.

**S** even of the thirteen members on the CalPERS Board of Administration are elected by employees and retirees. Two of those seats are At Large, meaning they are elected

The incumbents include JJ Jelincic, a Chartered Financial Analyst with CalPERS with extensive investment experience.

JJ is a former President of the California State Employees Association. The other incumbent is Michael Bilbrey, Vice

President of the California School Employees Association

CalPERS will mail ballots to all employees and retirees on August 30. Ballots must be returned by September 27.

Due to term limits, Controller Chiang will be "termed out" or ineligible to run for reelection in 2014. He has announced his candidacy for State Treasurer, an office currently held by Bill Lockyer, who is also termed out.

At the March meeting, PECG's Board of Directors voted unanimously to endorse John Chiang for State Treasurer in 2014.

# **Life Insurance Coverage Increase**

All PECG members receive \$1,500 in life insurance coverage as a member benefit. Effective immediately, that coverage has been increased to \$5,000 at no additional cost to the members!

In addition, members can select coverage up to \$521,000 with low cost group life insurance premiums, plus dependent coverage, all available through payroll

deduction. Disability, auto, homeowner, and renters coverage are also available as memberonly benefits.

For more information, go to the PECG website at www.pecg.org and click on "PECGsponsored Insurance" under the Benefits tab.

For life or disability insurance, you can also call Sara Peterson at PECG's San Francisco office at (415) 956-1344 or email her at insurance@pecg.org.

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