California Uniform Construction Cost Accounting Commission
Minutes of Thursday, July 29, 2021

The following minutes were officially approved by the California Uniform Construction Cost Accounting Commission (Commission) at the subsequent public meeting on August 20, 2021.

1. Call to order
   Chair Will Clemens called the meeting to order at 10:00 AM
   Video Conference: Eddie Bernacchi, Will Clemens, Leeann Errotabere,
   Brad Farmer, Steven L. Hartwig, Mike James, John Nunan,
   Chuck Poss, Hertz Ramirez, Mary Teichert, and Peter Worhunsky
   Absent: Chad D. Rinde, Jeremy Smith
   Unexcused Absences: Nathaniel Holt
   State Controller’s Office: Dave Brownfield, Sandeep Singh, Jia (Jenny) Liu,
   Daniel Basso, and Sheirlyn Singh

2. Introductions
   Daniel Basso from the State Controller’s Office (SCO) conducted roll call.

3. Approval of the Minutes
   A. Meeting held on March 12, 2021
      Commissioner Hartwig motioned to approve meeting minutes of March 12, 2021, without changes. Commissioner Errotabere seconded the motion. The motion passed on a roll call vote with ten yays, zero nays, and one abstention. Commissioner James abstained from voting because he was not a member of the Commission as of March 12, 2021.

4. Commission Updates
   A. Oath of Office
      Chair Clemens administered the Oath of Office to Commissioner Mike James. Commissioner James was appointed to a 3-year term representing subcontractors that began on July 26th, 2021. Chair Clemens then asked Commissioner James to briefly introduce himself.
B. Participating Agencies

Daniel Basso, SCO staff, presented an update on participating agencies, noting that SCO had received 21 resolutions from agencies that opted into the California Uniform Public Construction Cost Accounting Act (the Act) since the previous meeting. One agency withdrew from the Act. The number of agencies participating in the Act, including newly opted-in agencies, currently totals 1,430.

C. Funding Update

Daniel Basso reported that the SCO received two grants since the last meeting. The California Construction Advancement Program donated $625.00 for the first quarter of 2021. The second grant of $1,500.00 was donated by the California Legislative Conference of Plumbing, Heating, and Piping Industry. A total of $16,738.89 is available for unrestricted funds and travel reimbursement for the Commission to use.

D. Inquiry Update

Daniel Basso presented a report on inquiries received since the last meeting. Chair Clemens asked if the Commission had any questions or comments regarding any of the inquiries in the report. If needed, responses to inquiries could be amended and re-sent to the agency that made the inquiry following the adjournment of the meeting. No Commissioners had comments on the inquiries.

There were no public comments.

5. Public Comment

Chair Clemens asked the public if they had any comments.

There were no public comments

6. Staff Comments/Requests

A. SCO Staff Update
   Daniel Basso introduced Sheirlyn Singh, SCO staff, who will be assisting with CUCCAC.

B. Reappointment for 2021
   Mr. Basso will reach out to Commissioners 90 days before their term will expire to ask if they would like to be reappointed to the Commission.

7. Report of the Officers

A. Chair
   Nothing to Report.

B. Vice-Chair
   Nothing to Report.

C. Secretary
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Nothing to report.

8. Committee Reports

A. CUCCAC Manual

   I. Proposed changes – Legislative Updates.

   II. Proposed changes – Non-Legislative Updates.

      a. Chair Clemens and Commissioner Bernacchi introduced an updated version of sections 1.05 & 1.07 of the CUCCAC manual, updating the Trade Journal listings for agencies to advertise their bids.

      b. Chair Clemens then introduced the State Controller’s Office’s proposed change to add the Local Government Policy Unit’s email to several pages in the Manual as a place to submit documents related to the Commission.

The chair opened up discussion of the suggested changes to the commissioners. Chair Clemens proposed the complete removal of the trade journals identified as “closed”. Commissioner Bernacchi introduced the idea of adding the closed trade journals as an appendix for the manual. Commissioner Errotabere proposed keeping the closed journals as part of the main body of the manual, but in a separate list that can be updated or removed in future iterations of the manual. Several commissioners supported this proposed change. Chair Clemens motioned to approve the changes to the manual pending this change, as well as other formatting changes such as page numbers if needed. Commissioner Ramirez seconded the motion. The motion passed on a roll-call vote 11-0.

9. Commissioner Comments/Requests

Commissioner Errotabere commented that as a school district representative, she likes to see all the school districts opting in to participate in the Act. She stated that it is a good sign to see agencies wanting to streamline their processes and get their projects done more efficiently.

10. Old Business

   No Old Business to report.

11. New Business

   A. Accounting Review – Saugus Union School District

Chair Clemens gave a brief introduction on how the Accounting Review process will be conducted. First, CIFAC, the alleging agency, will have ten minutes to present their case to the members of the commission. Then, Saugus Union School District’s (Saugus Union) representative, Nick Heinlein, will have ten minutes to present Saugus Union’s side of the allegation. Then, the Commission
will have an open discussion regarding the findings of the CUCCAC special working group, and the case as a whole.

Michelle Pickens, CIFAC Executive Director, presented CIFAC’s case against Saugus Union School District. She gave a brief background into how CIFAC progressed in its investigation into Saugus Union’s work to renovate its Maintenance & Operations building. She then briefly touched on the allegations included in Item 11A, which had been distributed prior to the meeting. She thanked the commission for their time.

Nick Heinlein, Assistant Superintendent of Business for Saugus Union School District, then presented his agency’s side of the allegation. Mr. Heinlein introduced the background of the project alleged to have violated Public Contract Code (PCC) 22034, including a few pictures of the space and an overhead map marked with the two locations of the project. Mr. Heinlein stated that it was not the school district’s intent to circumvent or avoid the limitations of the Act, but rather the district failing to properly estimate the scale of the project. Mr. Heinlein explained that Saugus Union did not know, or did not properly plan out, the total scale of the renovation project when they started. He thanked the Commission for their time, and expressed a willingness to work closer with CIFAC on any other upcoming projects.

The working group of Commissioners Nunan and Errotabere then presented their findings. Commissioner Nunan opened his statement by stating that the purpose of the Commission is to help out its participating agencies, and his comments are meant to promote Saugus Union to improve their current bidding and construction process. Commissioner Nunan offered his opinion that Saugus Union did violate the provisions of PCC 22034, and likely caused themselves more work by separating the project into smaller portions. Commissioner Errotabere agreed with Commissioner Nunan’s conclusion, adding in her experience as Director of Purchasing of a school district gives her insight on how school districts can improve their bidding process. There was a brief discussion among the commissioners and Mr. Heinlein regarding specifics of the project and how Saugus Union can learn from this project for their future projects.

Chair Clemens motioned that the commission find in favor of the complaint based on the review process described in PCC section 22042.5. The Commission found that Saugus Unified School District was not in compliance with PCC section 22034 for its Maintenance and Operations office remodel project. Commissioner Ramirez second the motion. The commission voted in favor of CIFAC 10-0 via roll-call. Chair Clemens will reach out to Mr. Heinlein following the conclusion of the meeting.

Meeting notes: Commissioner Bernacchi excused himself prior to the discussion of item 11 due to conflict of interest with CIFAC.
12. Next Meeting

Chair Clemens mentioned that there are two upcoming accounting reviews that will need to be discussed before September 2nd. One review involves a county, with the other review involving a city. Chair Clemens then assigned working groups for the two accounting reviews. Commissioners Poss and Farmer will work on the city accounting review, with Commissioners Hartwig and Nunan working on the county accounting review.

Chair Clemens asked the commissioners for a preferred date, and settled on the afternoon of August 20th.

The Commission agreed to schedule the next meeting for:

   Friday, August 20, 2021
   1:00 PM – 4:00 PM
   Virtual teleconference

13. Adjournment

Chair Clemens moved to adjourn the meeting at 11:19 AM; all in favor with zero opposing to adjourn.

If you would like more information regarding this meeting, please contact:

   State Controller’s Office
   Local Government Programs and Services Divisions
   Local Government Policy Section
   LocalGovPolicy@sco.ca.gov