

Fresno City Council Members Olivier, Brand pitch proposal to safeguard ratepayer money

By George
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Fresno City Council Members Lee Brand, left, and Clint Olivier, center, and Mayor Ashley Swearengin, right, find themselves on the hot seat again this week. On Thursday, Brand and Olivier will ask their council colleagues to adopt the Enterprise Accountability and Oversight Act. The act would create a committee of experts charged with making sure taxpayers get their money's worth on the biggest projects. The most pertinent example is Swearengin's proposed \$429 million upgrade to the city's water system heading to the City Council on Thursday evening, a project that has generated nearly two years of debate about City Hall's ability to wisely spend public funds.

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What: Hearing on proposed Fresno city water rates

Where: Fresno City Hall, 2600 Fresno St.

When: 5:30 p.m. Thursday



Two Fresno City Council members want better public review of expensive construction projects.

It's no coincidence that their concern comes on the eve of a proposed project of uncommon controversy.

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The most pertinent example is the proposed \$429 million upgrade to the city's water system heading to the City Council on Thursday evening, a project that has generated nearly two years of debate about City Hall's ability to wisely spend public funds.

"There are a lot of people who are skeptics when it comes to public construction projects," Olivier said. "I am one of those skeptics. This provides a way for ratepayers to be protected."

Added Brand: "This is another layer of scrutiny."

The act can be boiled down to six key points:

- It applies only to enterprise department projects. An enterprise department's survival depends largely on ratepayer money. Public Utilities with its water, wastewater and trash divisions is an enterprise department.
- A nine-person oversight board is created, with each council member appointing one and the mayor two. Board members must have experience in some part of the construction industry. The advisory board has authority to dig into all aspects of a project costing more than \$20 million. Board meetings are open to the public.
- When the city goes to the bond market, its loan documents must state in detail what is being built.
- Long-term projects that get extra money (such as grants) are reviewed to see if the savings should be passed to consumers through lower rates.
- Money left over from a project that comes in under budget goes into a reserve. With the city manager's approval, this money is used to reduce future rates.
- The city manager provides the council with semi-annual status reports on projects covered by the act.

Mayor Ashley Swearengin's water project provides the most immediate context to the Olivier-Brand act. The project's centerpiece is a new surface water treatment plant in southeast Fresno. New pipes also are in the mix. All told, the city almost certainly would have to borrow more than \$300 million.

Residential water rates would rise over the next five years. The typical single-family house could see its monthly bill nearly double by 2020.

Swearengin has said the project is the best and least expensive way to ensure a safe and reliable water supply in the 21st century.

Opponents say there are better ways to do the same thing.

But there's more context to the Olivier-Brand act, and it is found in the relatively distant past.

Many critics simply don't trust City Hall to do the right thing once it gets hold of a big pile of taxpayer/ratepayer cash. They point to Granite Park, the Metropolitan Museum, the Convention Center parking garage and Chukchansi Park as proof.

Each of the four projects pre-dates Swearengin and is different in unique ways. Each cost City Hall coffers more money than originally promised by city officials.

There's a fifth project that may best symbolize the public's worry with the mayor's water project. That is the notorious Fresno Yosemite International Airport concourse project.

The city in the 1990s decided Fresno's main airport needed a better building to get people on and off planes. Work began on the \$35.5 million concourse in 2000. The project by early 2002 was a mess. The City Council received a staff report that said steel beams were missing, in the wrong location, misaligned or skewed.

Then-City Manager Dan Hobbs wrote in a report to the council and then-Mayor Alan Autry that the project "is not on time and the final budget is not clear."

At about the same time, the council in a 4-2 vote held its nose and spent an extra \$1 million to keep two key companies on the job. Henry R. Perea and Brad Castillo voted no. Said Perea at the time: "I can't reward the behavior of the people involved in this."

The concourse got done, but not before City Hall, the general contractor, the architect, the construction manager and the steel fabricator had outraged the public with their mutual finger-pointing.

Olivier and Brand were not on the council during the construction of any of these controversial projects. Both said they support Swearingin's plan. They are counting on their act to begin rebuilding the public's trust in City Hall's financial prudence.

The act "is the responsible thing to do," Olivier said. "It'll be the gift that keeps on giving because it doesn't go away after this water project."

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