



JANUARY 2023

January 3, 2023

January 9, 2023

January 16, 2023

January 23, 2023

January 30, 2023

January 3, 2023

The **VOICE** of Construction



JAN
12
2023

AGC
INSTALLATION
DINNER & MEMBER
AWARDS

**See You at the AGC
Installation Dinner &
Member Awards**

*By Eddie Sprecco, CEO AGC
San Diego*

Happy New Year from AGC! 2023 is promising to be another busy, challenging, and productive year in construction. Last month AGC membership voted in a new Board of Directors, and new Officers were elected. Next Thursday those officers will be sworn in and the 2022 leadership will be recognized for their contributions to the industry.

Are you registered yet? We welcome you to join us as we install **Austin Cameron of TC Construction** as the incoming 2023 President of the AGC San Diego Board of Directors.

This event is an opportunity for the industry and members to hear from the outgoing President, **Kari Kyne, of Kyne Construction**, on the progress of AGC San Diego and the accomplishments of the industry during the past year.

Each member in the AGC is a major “stakeholder” in the Association. It is important that you attend and understand the messages these individuals have concerning the direction of the AGC.

The evening’s program will also include the following recognitions:

- Presentation of the significant, annual **Construction Safety Excellence Awards (CSEA)**.
- Acknowledgment of our retiring **AGC Committee Chairs and Board Members**
- Graduation of **AGC Apprentices** with honors
- Graduation of members completing the **AGC Project Management Certificate Program**

Bottom line...this is an opportunity to give those in attendance a real “feel” for the San Diego construction industry, and to give recognition to those that have volunteered to lead the industry in 2022 and in 2023.

The program is proudly sponsored by: [Alliant](#) and [Liberty Mutual Surety](#)



We depend on the support of companies like these who enable us to offer quality AGC events. It is very much appreciated!

[Register online today!](#)

If you would like to register by email, please use the [registration form](#).

INDUSTRY NEWS

2023 Industry Outlook: Mixed Bag

By Mike McManus, Director of Engineering Construction and Industry Relations

In a recent report, Dodge Data and Analytics, a provider of data and analytics for the construction industry, concluded that the construction industry will face some headwinds in 2023. But there are also some bright spots in what looks to be a mixed bag. Here are some of the highlights from the most recent report on what to expect in construction in 2023.

New dangers are facing U.S. economic growth in 2023 as the Federal Reserve manufactures a slowdown to ease the growth in inflation. With construction often on the leading edge of economic growth, this move brings meaningful threats to the construction industry and its members. Economic growth is slowing considerably, given the Federal Reserve’s aggressive increases in interest rates. In 2023, industry analysts predict that U.S. economic growth will slow to just 0.7%, bringing the economy dangerously close to recession. Higher material prices and continued labor shortages will remain a drag on the construction sector and will further dampen growth in the coming year.

With supply chains yet to return to normal, construction materials prices will also remain elevated in 2023. And although inflation pressures will begin to abate, uncertainty will continue to affect future construction decision making, presenting a major risk for the outlook. On the positive side, infrastructure construction will be more insulated from economic turmoil than other sectors by the recent passage of several federal legislative efforts to fund and support U.S. infrastructure rehabilitation and development. At the same time, the often-broken Congressional appropriations process could pose problems for the infrastructure sector if it delays distribution of infrastructure funding.

Commercial construction is closely tied to overall economic conditions and is therefore particularly vulnerable to the deteriorating economic climate in 2023. Adding to the problems of the commercial sector, warehouse construction (which has been the

strongest component of commercial growth since before the pandemic) is now overbuilt and poised to decline beginning in 2023. The outlook for retail, hotels, and traditional offices is also precarious given the long-lasting impact of COVID-19 on demand for these facilities. Demand for brick-and-mortar retail construction, for example, has been weakened by online shopping, demand for traditional office construction has been hampered by strong trends in work from home, and demand for hotel construction has been diminished by the slow return of business travel.

Institutional construction starts are the more insulated piece of nonresidential building since much of institutional construction is funded by public revenues that tend to lag economic trends. While most of nonresidential construction is expected to turn downward in 2023, institutional starts will be able to remain flat and square footage will even be able to remain slightly positive. Within the sectors of institutional building will be a mix of pluses and minuses. The largest positive will come from the healthcare sector where dollar value will grow 14% and square footage 9% due to the need for surge capacity in the wake of COVID-19. The dollar value of education and government buildings will also remain positive in 2023.

Expected growth in public works is supported by several recent federal legislative initiatives that have provided ample funding for infrastructure projects over the coming year. Notably, the Infrastructure Investment and Jobs Act (IIJA), signed into law at the end of 2021, provided \$1.2 trillion to invest in the nation's roads, bridges, transit systems, airports, waterways, drinking water and wastewater systems, as well as energy infrastructure. As part of that bill, surface transportation funding was reauthorized at a robust \$304 billion over five years and \$47 billion was added for other transportation-related projects.

President Joe Biden on Thursday signed a \$1.7 trillion spending bill that will keep the federal government operating through the end of the federal budget year in September 2023. The expected increase in IIJA funds should be safe at least until the fall of 2023 which is good news for infrastructure construction.

MEMBER NEWS



AGC of America 2023 Convention in Las Vegas - Members save \$150 when they register by January 6.

By Eddie Sprecco, CEO AGC San Diego

Back together every three years in Las Vegas, the 2023 AGC of America Convention is held jointly with CONEXPO as the largest construction trade show in North America – all AGC attendees get a CONEXPO pass as part of the registration.

So next year, in place of AGC San Diego's spring conference, we are encouraging all AGC members to participate in the National Convention. There are lots of valuable resources to tap into, and with just a short hop from San Diego, it's a great opportunity to attend.

Alongside incredible keynote speakers, the AGC Annual Convention will feature a host of impactful education breakout sessions covering a variety of key topics to help your company succeed in the year ahead.

In addition, San Diego Chapter members will be competing for Safety awards, Build America project awards, and other recognitions alongside AGC members from across the country.

AGC San Diego members will be invited to a **Chapter specific dinner on March 15th** and chapter staff will be available throughout the week to help navigate attendees through the jam-packed agenda to get the most out of their time: <https://convention.agc.org/agenda/>

In particular, the Divisional meetings are helpful to learn about resources available year-round to contractors in Building, Utility, Federal and Heavy, and Highway and Transportation Segments of the industry. AGC San Diego contractors have leadership roles on several of these Divisions that drive the priorities for AGCA and staff.

If we have learned anything from the nearly three years since COVID upended the construction industry (and the world), it is that having tools to adapt and thrive in a rapidly changing environment is critical for contractors. Working with its 89 affiliated chapters, AGC of America proved to have national clout that helped shape public policy and provide resources that were modified and adopted at the state and local level. AGC of America, in a bitterly divided congress, shepherded through a massive infrastructure investment package while keeping construction essential and safely working.

As we (slowly) put COVID behind us, the next set of challenges is already on the horizon. Staying engaged with AGC is THE way to have the resources to succeed.

Take advantage of early bird pricing.....Registration is Now Open:
<https://convention.agc.org/registration-information/>

Members save \$150 when they register by January 6.

See you there!

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 February 9-12 - **WINTER CONFERENCE** - Ritz Carlton Tahoe - **SOLD OUT!**
 March 13-16, 2023 - [AGC ANNUAL CONVENTION](#) - Las Vegas @ Wynn

COMMITTEE MEETINGS

2023 is Just Around the Corner- Join A Committee and Get Involved!



JANUARY

Jan. 4 - **Safety Committee** - 7 AM - Lakeside
 Jan. 11 - **Workforce Development Committee** - 11:30 AM - Lakeside
 Jan. 27 - **Technology Committee** - 11 AM - Lakeside

[Committee Meeting Calendar](#)

[Get Involved - Join a Committee](#)

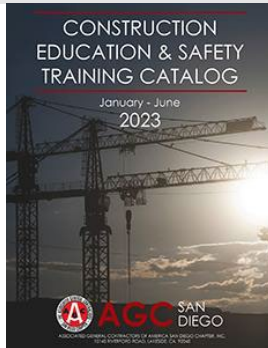
TRAINING CLASSES

JANUARY CLASSES

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 January 10 - Lakeside - **Stormwater Breakfast Forum "Ask and Attorney"**
 January 10 - Lakeside - **Construction Law: HR Updates for 2023**
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 Education & Safety Training Catalog

If you do not see a class that your team needs, please contact the AGC San Diego Education Department to check upcoming schedule or to schedule a group training session.

[Becca Schaffer](#), 619-592-4533

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About Monday Morning Quarterback

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Please contact [Eddie Sprecco](#) or [Dustin Steiner](#) 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.

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The Associated General Contractors, San Diego Chapter, Inc.

10140 Riverford Road, Lakeside, CA 92040

January 9, 2023

The **VOICE** of Construction



**LAST CHANCE TO REGISTER For
AGC Installation Dinner & Member
Awards**

By Eddie Sprecco, CEO AGC San Diego

AGC Members - Last chance to register for the AGC Installation Dinner & Member Awards is Tuesday, January 10 by 10 a.m. [Register online today!](#)

Join us as we install **Austin Cameron** of **TC Construction** as the incoming 2023 President of the AGC San Diego Board of Directors. The event includes recognizing CSEA award winners, retiring AGC Committee Chairs and Board Members, and the graduation of AGC Apprentices with honors and AGC Project Management Certificate Program.

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INDUSTRY NEWS

Squeaker of the House

By Dustin Steiner, Vice President Government & Industry Relations

The 118th Congress is off to a slow start. In what may be a reflection of the United States as a whole, the red ripple brought with it a loss of one Senate seat and while the House did flip it is a razor thin four seat majority. Just ask the new Speaker of the House. Kevin McCarthy (R-CA) is a shrewd politician who some would say has been preparing for this day his whole life. One astute political observer even commented that McCarthy would “do anything” to be Speaker. Since we were all glued to C-SPAN last week, I’ll spare you some of the details...wait... was that just me? As readers of MMQB know, we have been speculating for several weeks that McCarthy might have trouble on his hands. In what is generally a formality, McCarthy, members of Congress, their staffs, the poor Clerk, her staff, and the American people endured four long days and 15 rounds of votes before a Speaker was decided. In fact, on Friday, the House adjourned until 10 PM to allow time for two loyal McCarthy supporters to return to D.C. to cast their votes and in the wee hours, on the 15th ballot, with 216 ayes and 6 voting “present”, the deed was done.

Whether you call it negotiations, talks, horse trading, arm twisting, or worse...there was no shortage of it last week under the U.S. Capitol Dome. The so-called Freedom Caucus, a group of conservative hardliners asked for a number of concessions including open rules on Appropriations bills (open rule essentially means no rules – on number of amendments, amount of time for debate, etc. – making an already lengthy process that much longer), and more seats on the Steering Committee (the one that decides committee assignments) and the Rules Committee (the one that decides how bills come to the Floor). One of the biggest concessions was reinstating the ability to “vacate the chair” or call for a new Speaker vote (not another one!!) at any time. As Speaker, Nancy Pelosi (D-CA) eliminated this recourse and McCarthy was reluctant to bring it back for obvious reasons.

Few outside the Beltway including some of the new members-elect (I’m guessing) knew that the congress cannot begin without a Speaker. The Clerk of the House presided over the proceedings of last week, but no committees could meet, no intelligence briefings could be had, no swearing-in ceremonies with loved ones. Not exactly the Kodak moment voters and elected leaders envisioned in November. One incumbent Congressman – who served as a military intelligence officer prior to getting elected – even lamented that his top-secret clearance was in limbo because not he nor any of the other 433 (there was a death and seat hasn’t been filled) members was actually authorized to do the peoples’ work.

The question is what does it all mean? Will McCarthy be able to reign-in the wayward Republicans? Will Democrats seize on the chaos? Is it a hiccup or a power vacuum? Did the institution get stronger or weaker? Is McCarthy battle-tested or wounded? It was on full public display last week, but was anyone watching? Does anyone care? It was the first vote that didn’t yield a Speaker on the first ballot in over a century. Machiavellian? Sure, but to borrow an old medical school joke...do you know what they call the guy who took 15 votes and 4 days to get elected? Speaker.

2023 Outlook: Good for Construction

By Mike McManus, Director of Engineering Construction and Industry Relations



AGC America recently published an outlook for the construction industry for 2023. Things are looking up in California and for most of the country as well in many ways. The economy continues to recover from the low point of the pandemic, but there is still a chance of recession, we hope not.

Construction employment continues to rebound from the pandemic low point of March 2020. Nonresidential construction, which is largely what AGC contractors do, has bounced back and is up about 12 percent since the low point, however it is still almost 2 percent lower than the pre-pandemic employment of February 2020. Residential construction is over 7% higher than the pre-pandemic level, with rising interest rates, that may change shortly.

Skilled salary and craft workers are still hard to come by across the country. The majority of contractors report difficulties in filling positions. A report showing job openings and hires from November 2001 to November 2022 demonstrates the recent problems in filling positions. From November 2021 to November 2022, the number of new hires across country dropped by 234,000 or 30%. While over the same period the number of job openings rose by 344,000 or 6.5%. Which demonstrates that open positions that are going unfilled have been steadily rising over the last year, which has not occurred in the last 20 years. Despite the challenges, in California, construction employment is up 4.2 percent over the last year. Also it is up in nearby states, up 10.3 percent in Nevada and up 5.4% in Arizona.

Construction materials prices, according to the Bureau of Labor Statistics (BLS) continue to be higher than 2 years ago, when supply chain issues sent many materials' prices skyrocketing. The aggregate producer price indexes have been falling for the last year, but prices are still on average, about 10 percent higher than 2 years ago. As a comparison, the Consumer Price Index is about 7 percent higher than 2 years ago and seems to be slowly falling back towards the November 2020 level.

The last year has seen some major increases in prices and in subcontractor work according to BLS sources. The change from November 2021 have been led by:

Diesel Fuel	+59.6%
Paint	+26.3%
Asphalt Mixtures	+19.8%
Concrete Prod's	+14.3%
<u>Sub-Contractors</u>	

Roofing	+20.8%
Electrical	+13.8%
Plumbing	+15.0%
Concrete	+10.9%

It appears that contractors, have started passing along the increases in material costs to owners in their bid prices. After about a year and a half of bid prices lagging behind the rising costs of materials, that has changed since about July 2020. Bid prices are now rising faster than materials costs. But some damage has been done.

The good news is, that work is plentiful in the areas that AGC contractors work, and we expect that to increase in the coming months as more of the federal Infrastructure Investment and Jobs Act (IIJA) funds start showing up as projects to bid on. Thus far we haven't seen much increase in work volume from the IIJA, but the wave is coming. The increase in work volume over the last year has been healthy in a few sectors across the country:

Manufacturing Facilities	+43%
Commercial Facilities	+20%
Highway and Street	+15%
Sewer and Waste Disposal	+20%
Water Supply	+31%

The expectations for future work are very high for California contractors, surveyed by AGC America. 63% of California contractors report that they expect to increase their firms' employee head counts, in anticipation of participating in the rising number of project opportunities. This will be a challenge since it will remain difficult to fill positions. Labor availability has resumed being the #1 challenge for many contractors. Materials prices and lead times are now a mixed bag as opposed to be all upward a year ago. We hope that the positive trends, of normalizing prices and lead times, continue into 2023.

The only sector that looks to flatten out or pull back is residential construction. The rising interest rates may cool what has been a hot sector, even though housing availability is, in California, a critical issue driving many other societal ills.

MEMBER NEWS

SDSU Students to Compete in ASC Competition - Help the Teams Prepare!

By Kellie Korhonen,
AGC Digital
Communications and
Technology Manager



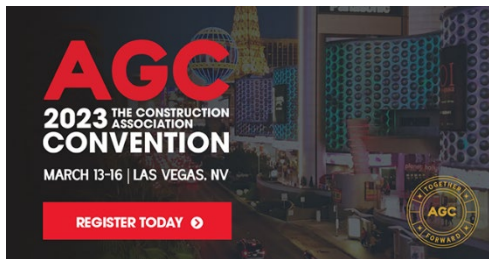
The SDSU Construction
Engineering &
Construction

Management students have been working hard and training for the annual Associated Schools of Construction (ASC) "Reno Competition" next month. The competition teams are gearing up for their final training event before they head up to Reno, Nevada, for the competition.

AGC's Construction Leadership Council (CLC) is hosting the final mock problem for the student teams Wednesday, January 25 from 5 PM to 7:30 PM, join us starting at 4:30 PM for networking and food at the Lakeside office.

Help us help the students by sharing your industry knowledge - the return on investment is preparing these bright young people to be great construction industry professionals.

To attend, please RSVP to [Kellie Korhonen](#) by January 20.



AGC of America 2023 Convention in Las Vegas

By Eddie Sprecco, CEO AGC San Diego

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This advertisement features a yellow CAT excavator working on a construction site. The background is a light gray with a faint grid pattern. The text is in black and red. The CAT logo is in the bottom right corner.

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This advertisement features a woman with glasses and a blue top. The background is white with a blue banner at the bottom. The text is in red and black.

UPCOMING *Mark Your Calendars* **EVENTS**

THE ASSOCIATED GENERAL CONTRACTORS
AGC
SAN DIEGO CHAPTER

This banner features the text "UPCOMING" in a black box, "Mark Your Calendars" in a script font, and "EVENTS" in large red letters. To the right is a calendar graphic with the AGC logo.

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February 9-12 - **WINTER CONFERENCE** - Ritz Carlton Tahoe - **SOLD OUT!**
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COMMITTEE MEETINGS

JANUARY

Jan. 11 - **Workforce Development Committee** - 11:30 AM - Lakeside
Jan. 27 - **Technology Committee** - 11 AM - Lakeside

GET 2023
involved
unteer
JOIN AN AGC COMMITTEE

This logo features the text "GET 2023" in large red letters, "involved" in a smaller font, and "unteer" in a red box. Below it is "JOIN AN AGC COMMITTEE" in red.

[Committee Meeting Calendar](#)

[Get Involved - Join a Committee](#)

TRAINING CLASSES

JANUARY CLASSES

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January 10 - **RESCHEDULED for Feb 7: Stormwater Seminar : Ask an Attorney Wayne Rosenbaum**

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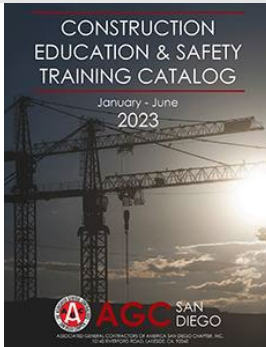
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INDUSTRY NEWS



Austin Cameron Installed as 78th President of AGC San Diego

*By Dustin Steiner, Vice President
Government & Industry Relations*

The Associated General Contractors of America, San Diego Chapter, Inc. (AGC) installed its 2023 officers and board members at the Chapter's Installation program on Thursday, January 12. Over 300 guests attended the event which was sponsored by **Alliant Insurance Services** and **Liberty Mutual Surety**.



Austin Cameron, President of *TC Construction Co.*, was installed as the 78th President in the AGC's 96-year history. He asked his father, **Terry Cameron**, to install him. Terry served as a past board member for 19 years. Austin succeeds **Kari Kyne** of *Kyne Construction, Inc.* Austin has served on the AGC Board of Directors for 9 years. During that time he has chaired the AGC Government Relations Committee,



Political Action Committee (PAC), and the Membership Committee.

Before becoming a Board Member, Austin chaired the Engineering General Contractors' Council. In addition, he has also supported many AGC events, including the golf tournaments and the spring and winter conferences among others. He is very committed to AGC San Diego!

AGC officers installed:

Gita Murthy, *RORE, Inc.*, as Sr. Vice President
Norbert Schulz, *J.R. Filanc Construction Company, Inc.* as Vice President
Wes Wise, *Cass Arrieta*, as Secretary/Treasurer

Other AGC Board Members installed:

Tamela Barnhart-Reese, *Barnhart-Reese Construction*
Mark Dowsing, *Orion Construction Corporation*
Steve Friar, *Hensel Phelps*
Bill Haithcock, *Casper Company*
Lars Herman, *Herman Construction Group*
Scott Massner, *Helix Electric*
David Ness, *Hawthorne Cat*
Mark Weiland, *Cox Construction Co.*

The following AGC members have been appointed to the 2023 Executive Committee and will serve as **Ex-officio Members** of the Board of Directors: **Jon Price**, *Ferguson Waterworks Southern California*, and **Mike Furby**, *Marathon Construction Corporation*.

Retiring Board Members

Jeff Clinkscales, *Rossin Steel*, served for 6 years
Randy Finch, *Finch, Thornton & Baird, LLP* served for 14 years
Alan Mashburn, *Bergelectric*, served for 2 years
John Messick, *Sundt Construction*, served for 6 years
Boris Shekhter, *Helix Electric*, served for 5 years
Bob Bridges, *Sherwood Mechanical*, served as Ex-officio in 2022

Retiring Committee Chairs

The retiring committee chairs were recognized for their dedication and service to the AGC:
Amanda Barbagallo, *Atlas Technical Consultants* - Build & Serve Committee
Austin Cameron, *TC Construction Co.* - Government Relations and PAC
Robert Sahagun, *BNBuilders* - Safety Committee
Ryan Swenson, *Simpson Strong-Tie* - Build & Serve Committee

Retiring Trustee

Ken Riha, AGC Health & Welfare Trust, served for over 30 years!

Apprenticeship

Glenn Hillegas, **Pete Saucedo**, and **Jon Hill** recognized the top graduates in the AGC's Apprenticeship Program.

AGC's Project Management Certification Course

Paul Stout, Course Facilitator from *Power Summit*, recognized 23 graduates of the 26-week Project Management Certification Course.

AGC Member Awards

A number of member awards were also presented by the Specialty Contractors' Council, and the Affiliate Members' Council:

- Construction Industry Excellence Award: **D.A. Whitacre Construction**
- Construction Industry Professional Award: **Joe Kuykendall** (*Scholefield Construction Law*)
- Construction Industry Leadership Award: **Brooke Velazquez** (*Bright Sky Recruiting*)
- Excellence in Marketing Award: **Casper Company**
- Good Business Award: **Cement Cutting**
- Affiliate of the Year (Company): **Alliant Insurance Services**
- Affiliate of the Year (Individual): **Randy Finch** (*Finch, Thornton & Baird, LLP*)
- Rookie of the Year: **Heather Becker** (*Sunbelt Rentals*)

The Affiliate of the Year Award was renamed this year as the “*Don McKillop Affiliate of the Year Award*” in honor of the late **Don McKillop**, who served the AGC Board of Directors as Legal Counsel for nearly 30 years.

Construction Safety Excellence Award (CSEA) Winners

Adam Mack, *Sundt Construction*, AGC's 2023 Safety Committee Chair and AGC's Safety Director **Vince Hundley**, *SMART Safety Group*, recognized the following firms for winning AGC's San Diego CSEA Awards in their respective categories (based upon hours worked).

Building Division

Cox Construction: 0 - 100,000 work hours

Pacific Building Group: 100,001 - 250,000 work hours

Western Pump: 250,001 - 500,000

BNBuilders: 1,000,001 - 2,500,000 work hours

Construction Management Division

Straub Construction: 0 - 250,000 work hours

Harper Construction: over 250,000 work hours

Highway Division

L.B. Civil Construction: 0 - 250,000 work hours

Herzog Contracting Corp: 500,001 - 1,000,000 work hours

Sundt Construction: 1,000,000 - 5,000,000 work hours

Specialty Division

Kyne Construction, Inc.: 100,001 - 250,000 work hours

M Bar C Construction: 250,001 - 500,000 work hours

Johnson, Finch & McClure Construction: 500,001 - 1,000,000 work hours

Dynalectric: 750,001 - 1,000,000 work hours

Helix Electric: 1,000,001 - 5,000,000 work hours

Bergelectric Corporation: Over 5,000,001 work hours

Utility Division

TC Construction Co.: 0 - 500,000 work hours

J.R. Filanc Construction Co.: 500,001 - 1,000,000 work hours

Vendor & Supplier Division

Hudson Safe T Lite: 0 - 500,00 work hours

Adam and Vince also recognized the San Diego member firms that competed last year in our local competition and made it through to the rigorous competition in AGC of America's nationwide CSEA finals at the 2022 National Convention:

Building Division

BNBuilders, 1st Place

Highway and Transportation Division

Flatiron, 1st Place

Specialty Division

Helix Electric, 3rd Place

Utility Infrastructure Division

Sundt Construction, 1st Place

President's Award

The Specialty Contractors Council presented the AGC President's Award to **Mike and Sandy Caples** of *Contractor News & Views* and accepted by Jennifer Caples on her parents' behalf. In 2001, Mike and Sandy created a monthly publication to highlight the construction industry and promote all branches of the profession. Mike passed away last year and Sandy has continued their work showcasing the many events of all of the associations they supported.

Congratulations to all!

You Can't Make This Stuff Up

By Mike McManus, Director of Engineering Construction and Industry Relations

The California Legislature churns out bills like widgets. It sent 1,166 of them to Gov. Gavin Newsom in 2022. He signed 997 and vetoed the rest. Some of these laws are in the category of "you can't make this stuff up." I doubt many citizens of California are even remotely aware of what their legislature is doing. Here are a few highlights.

LOCAL GOVERNMENT

This January, the face of local government in California will change in many ways. The legislature produced a series of measures, some intended to empower and protect officials who feel unsafe in the volatile political climate.

SB 1100: California's existing public meetings law, the Brown Act, already provides county supervisors, school boards, and city councils with the power to eject disruptive people. Proponents say the new measure spells out that authority more clearly. (Sen. Dave Cortese, D-San Jose)

SB 1131: Since November 2020, more than 15% of California's election officials have left their jobs. With election skepticism and denial running high, election workers have faced harassment and threats of violence simply for doing their jobs. The measure expands the

“Safe at Home” program — originally designed to protect victims of domestic violence and abortion clinic staff — to cover election staff and other public employees by shielding their home addresses from the public eye. (Sen. Josh Newman, D-Fullerton)

AB 1925: This will lift the restriction on people holding county or district office if they are not a registered voter in that jurisdiction. Proponents said the old law amounted to a de facto citizenship requirement. (Assemblyman Miguel Santiago, D-Los Angeles)

ENERGY AND ENVIRONMENT

Several of the environmental bills Newsom signed this fall won't produce immediate changes for Californians. But they have the potential for profound long term effects.

AB 1279: The California Climate Crisis Act will require the state to reach net zero greenhouse gas emissions no later than 2045 and to sustain that level into the future. It directs the Air Resources Board and the Legislative Analyst's Office submit reports evaluating the state's progress toward the goal and identify potential areas for improvement. (Assemblyman Al Muratsuchi, D-Torrance, and Assemblywoman Cristina Garcia, D-Bell Gardens)

AB 1757: The Natural Resources Agency, and other state department, must set goals by Jan. 1, 2024 for reducing greenhouse gases using natural resources such as vegetation and soil. (Assemblywoman Cristina Garcia, D-Bell Gardens, and Assemblyman Robert Rivas, D-Salinas)

SB 1020: This requires that zero-carbon and renewable energy sources comprise 90% of the state's electricity by 2035 and 95% by 2040. It mandates that state agencies use renewable and zero carbon sources for 100% of their electricity by 2035. (Sen. John Laird, D-Santa Cruz)

LABOR AND WORKPLACE

This was a busy sector of policy in 2022. Job hunters will be able to see salary and wage ranges posted before they apply. Public employers found to be interfering with union activity will pay sizable fines. Family leave benefits will improve.

SB 1162: The state's labor commissioner can fine employers up to \$10,000 for failing to comply with the salary and wage range measure. There are also fines for failing to submit demographic pay data to the state. (Sen. Monique Limón, D-Santa Barbara)

SB 931: The Public Employment Relations Board has the power to fine government employers up to \$100,000 if it finds that workers were prevented from participating in a union. (Sen. Connie Leyva, D-Chinot)

CRIMINAL JUSTICE

Prosecutors will no longer be free to use rap lyrics as evidence. Defense attorneys will be barred from disclosing a person's immigration status in open court, and the crime of loitering for the purpose of prostitution will come off the books.

SB 357: This repeals all laws that prohibit loitering for purposes of prostitution, proposed because existing laws were frequently used to target transgender women of color. The measure passed in 2021, but was held for nearly a year so that advocates could persuade Newsom to sign it. Critics have expressed concern that it could hinder efforts to curb sex trafficking. (Sen. Scott Wiener, D-San Francisco)

AB 2147: Jaywalking laws are softened – you won't get stopped if you're acting safely as a pedestrian. (Phil Ting, D-San Francisco)

HOUSING

Lawmakers are searching for ways to spur new residential construction in a state where the shortage of housing is at a crisis level.

AB 2011: This is one of two bills that ease the way for housing on land zoned for commercial use. Developers will be able to access land zoned for parking, office, and retail use "by right," meaning they won't have to go through local government approval processes or the California Environmental Quality Act to build. They must also pay workers prevailing wage and benefits. (Assemblywoman Buffy Wicks, D-Oakland)

SB 6: It incentivizes housing construction on commercially zoned land but without requirements for affordable units. Builders will need to go through local regulatory process. (Sen. Anna Caballero, D-Merced)

MEMBER NEWS

SDSU Students to Compete in ASC Competition - Help the Teams Prepare!

By Kellie Korhonen, AGC Digital Communications and Technology Manager

The SDSU Construction Engineering & Construction Management students have been working hard and

training for the annual Associated Schools of Construction (ASC) "Reno Competition" next month. The competition teams are gearing up for their final training event before they head up to Reno, Nevada, for the competition.



AGC's Construction Leadership Council (CLC) is hosting the final mock problem for the student teams Wednesday, January 25 from 5 PM to 7:30 PM. We welcome members to join us starting at 4:30 PM for networking and food at the Lakeside office.

Help us help the students by sharing your industry knowledge - the return on investment is preparing these bright young people to be great construction industry professionals.

To attend, please RSVP to [Kellie Korhonen](#) by January 20.

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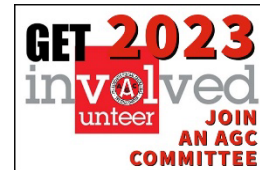


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TRAINING CLASSES

JANUARY CLASSES

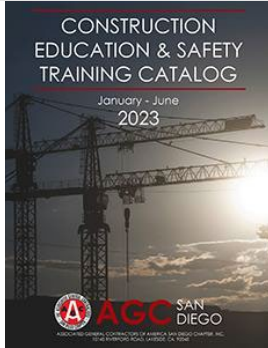
January 17 - Offsite - **Microsoft Excel Beginner**
January 19 - Lakeside - **Bluebeam REVU Basics**
January 19 - Offsite - **QuickBooks for Beginners**
January 19 - Lakeside - **Project Engineer Boot Camp**

January 23-27 - Ferris Square - **Fall Protection 40 Hour CPT Federal Construction Personnel**
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2023 schedule now open for [AGC EDGE](#) Virtual Courses. Make sure to mark AGC San Diego for referral chapter.



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Please contact [Eddie Sprecco](#) or [Dustin Steiner](#) 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.

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January 23, 2023

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INDUSTRY NEWS

New Laws Affecting Contractors in 2023

By Felipe Fuentes, AGC's Legislative Advocate

Dustin Steiner, Vice President Government and Industry Relations.

The new year always brings with it new laws. The following are bills passed by the legislature in 2022, signed into law by the Governor, and in effect for 2023.

AB 1041 (Wicks) Employment: leave.

Would expand the class of people for whom an employee may take leave to care for to include a designated person. The bill would define "designated person" to mean any individual related by blood or whose association with the employee is the equivalent of a family relationship. The bill would authorize a designated person to be identified at the time the employee requests the leave. The bill would authorize an employer to limit an employee to one designated person per 12-month period.

AB 1802 (Maienschein) Limited liability companies.

Under current law, a limited liability company is a member-managed limited liability company and provides for filing a certificate of cancellation of the articles of organization in specified circumstances. Existing law authorizes managers, or specified other persons to wind up the affairs of the limited liability company and continues to exist for limited purposes, including the purpose of winding up its affairs, giving written notice of the commencement of winding to creditors and claimants. Existing law requires that any assets inadvertently or otherwise omitted from the winding up continue in the canceled limited liability company for the benefit of the persons entitled to those assets upon cancellation, and, on realization, be distributed accordingly. This law would specifically require that omitted assets be used to discharge unsatisfied liabilities, if any, known to the company, and that any excess be distributed to the members. If assets are omitted from the winding up, the bill would authorize any person authorized to wind up the affairs of a limited liability company that has filed a certificate of cancellation to use the assets to discharge the liabilities of the limited liability company and distribute any remaining assets to the members.

AB 1851 (R. Rivas) Public works: prevailing wage: hauling.

Current law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Current law includes in the definition of “public works” under certain circumstances the hauling of refuse from a public works site to an outside disposal location. This law clarifies that on-haul trucking at public works projects must be paid a prevailing wage when an individual truck driver’s work is integrated into the flow process of construction as per *O.G. Sansone Co. v. Department of Transportation*. This clarification was sought by the bill sponsors and author based on their belief that a series of recent California Supreme Court decisions (commonly known as the *Kaanaana*, *Mendoza*, and *Busker* decisions) found that because on-haul trucking is not specifically mentioned in statute as comprising part of a public works project, it is unclear whether it falls under prevailing wage requirements.

AB 1932 (Daly) Public contracts: construction manager at-risk construction contracts.

Current law authorizes, until January 1, 2023, a county to utilize construction manager at-risk construction contracts for the erection, construction, alteration, repair, or improvement of any infrastructure, owned or leased by the county, including that the method may only be used for projects that are in excess of \$1,000,000. This bill would extend those provisions until January 1, 2029.

AB 2188 (Quirk) Discrimination in employment: use of cannabis.

On or after January 1, 2024, this law makes it unlawful for an employer to discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon the person’s use of cannabis off the job and away from the workplace, except for pre-employment drug screening, as specified, or upon an employer-required drug screening test that has found the person to have non-psychoactive cannabis metabolites in their hair, blood, urine, or other bodily fluids. The law exempts certain applicants and employees from the bill’s provisions, ***including employees in the building and construction trades*** and applicants and employees in positions requiring a federal background investigation or clearance, as specified. This law specifies it does **not** preempt state or federal laws requiring applicants or employees to be tested for controlled substances as a condition of employment, receiving federal funding or federal licensing-related benefits, or entering a federal contract.

AB 2243 (E. Garcia) Occupational safety and health standards: heat illness: wildfire smoke.

Would require the Division of Occupational Safety and Health, before December 1, 2025, to submit to the standards board a rulemaking proposal to consider revising the heat illness standard and wildfire smoke standard. The bill would require the division to consider revising the heat illness standard to require employers to distribute copies of the Heat Illness Prevention Plan, as provided. The bill would require the standards board to review the proposed changes and consider adopting revised standards on or before December 31, 2025.

AB 2446 (Holden) Embodied carbon emissions: construction materials.

Would require the State Air Resources Board, by July 1, 2025, to develop a framework for measuring and then reducing the average carbon intensity of the materials used in the construction of new buildings, including those for residential uses. This law would

require the framework to include a comprehensive strategy for the state's building sector to achieve a 40% net reduction in greenhouse gas emissions of building materials, as determined from a baseline calculated using a certain 2026 report, if that report is adequate, or as specified. The bill would require the strategy to achieve this target as soon as possible, but no later than December 31, 2035, with an interim target of 20% net reduction by December 31, 2030. The bill would authorize the state board to adjust the interim target, as provided, and would require the established targets to begin no sooner than January 1, 2027.

AB 2693 (Reyes) COVID-19: exposure.

Existing law authorizes the Division of Occupational Safety and Health to prohibit the performance of an operation or process, or entry into that place of employment when, in its opinion, a place of employment, operation, or process, or any part thereof, exposes workers to the risk of infection with COVID-19, to constitute an imminent hazard to employees. This bill would extend those provisions until January 1, 2024.

SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage.

This bill, until January 1, 2026, would require concrete contractors holding a C-8 license, warm-air heating, ventilation, and air-conditioning (HVAC) contractors holding a C-20 license, asbestos abatement contractors holding a C-22 license, or tree service contractors holding a D-49 license to also obtain and maintain workers' compensation insurance even if that contractor has no employees.

SB 991 (Newman) Public contracts: progressive design-build: local agencies.

Current law authorizes the Director of General Services to use the progressive design-build procurement process for the construction of up to 3 capital outlay projects, as jointly determined by the Department of General Services and the Department of Finance, and prescribes that process. This bill, until January 1, 2029, would authorize local agencies, defined as any city, county, city and county, or special district authorized by law to provide for the production, storage, supply, treatment, or distribution of any water from any source, to use the progressive design-build process for up to 15 public works projects in excess of \$5,000,000 for each project, similar to the progressive design-build process authorized for use by the Director of General Services.

SB 1127 (Atkins) Workers' compensation: liability presumptions.

Current law requires an injured employee to file a claim form with the employer. Under current law, if liability is not rejected within 90 days after the date the claim form is filed with the employer, the injury is presumed compensable, and the presumption is rebuttable only by evidence discovered subsequent to the 90-day period.

SB 1162 (Limon) Employment: Salaries and Wages.

Current law requires a private employer that has 100 or more employees and is required to file an annual Employer Information Report (EEO-1) pursuant to federal law to submit a pay data report to the Civil Rights Department that contains specified employee information on or before March 31, 2021, and on or before March 31 each year thereafter. This law requires a private employer that has 100 or more employees to submit a pay data report to the department and revises the timeframe in which a private employer is required to submit this information to be on or before the second Wednesday of May 2023, and for each year thereafter on or before the second Wednesday of May.

SB 1044 (Durazo) Employers: emergency condition: retaliation.

This law would prohibit an employer, in the event of an emergency condition, as defined, from taking or threatening adverse action against any employee for refusing to report to, or leaving, a workplace or worksite within the affected area because the employee has a reasonable belief that the workplace or worksite is unsafe, except as specified. The bill would also prohibit an employer from preventing any employee, including employees of public entities, as specified, from accessing the employee's mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating with a person to confirm their safety. The bill would require an employee to notify the employer of the emergency condition requiring the employee to leave or refuse to report to the workplace or worksite, as specified. The bill would clarify that these provisions are not intended to apply when emergency conditions that pose an imminent and ongoing risk of harm to the workplace, the worksite, the worker, or the worker's home have ceased.

The City's Housing Mess

By Mike McManus, Director of Engineering Construction and Industry Relations

The State of California has severe housing issues in terms of the housing supply not meeting the demand which drives high housing costs. To address decades of undersupply and keep up with projected household growth, California must plan for more than 2.5 million homes over the next eight-year cycle, and no less than one million of those homes must meet the needs of lower-income households. As one of the largest cities in the State, the City of San Diego has a significant housing shortage which has led to increasing housing prices and difficulty for residents in finding housing or being able to afford to live in the City.

This is a growing concern in the construction industry. Construction workers, particularly craft workers, cannot work from home, or remotely in other cities, as workers in some other industries have begun to do. They have to work within commuting range of their jobsites. Many workers are having to commute great distances from homes they can afford to buy or rent which is going to exacerbate the worker shortages in this industry. The City of San Diego recently got a report from the Independent Budget Analyst (IBA) which highlights what a mess the housing production is in this City. The recommendations in the report are summarized below.

The Spring 2022 Vacancy and Rental Rate Study, a recent study from the Southern California Rental Housing Association, showed a dramatic decline in the San Diego region rental vacancy rate, which dropped from 2.91% in Spring 2021 to 1.25% in Spring 2022. The study further found the reduced supply of available rental housing in the San Diego region caused the weighted average rents for all unit types to increase by about 15.0% from \$1,953 to \$2,247 over the past year.

To address challenges with the regional housing supply and encourage the creation of affordable housing, the City's share of the Regional Housing Needs Assessment (RHNA) is targeted at 108,036 new housing units from 2021 to 2029, which would require the production of an average of 13,505 new housing units per year. In 2021, 4,095 new housing units were authorized through building permit issuances according to the federal Department of Housing and Urban Development's database.

At the current pace, development of housing in the City is far behind in achieving the RHNA goal. From 2016 to 2021, housing units permitted in the City **decreased** by 37%, after trending upwards in the first half of the recent decade. The number of housing units permitted in the City averaged 4,572 in the past five years, with an average year-over-year decrease of 489 units, or 8%. That is astonishing.

Issues for Council consideration from the IBA

Redundant Steps in Financing Affordable Housing

Due to duplicative efforts resulting from running two affordable housing City NOFA processes, Council may wish to consider consolidating the administration of most or all resources available in the City to finance affordable housing under one department or agency. Additionally, for consistency and transparency and to provide Council a more complete financial picture,

Streamlining the Permitting Process

Council may wish to request a comprehensive review and potentially a redesign of the permit review process to help reduce administrative burdens and increase permit review efficiency, thereby increasing regulatory predictability for permit applicants. This may include measures to simplify permit types and permit forms, and streamline permit fees.

Impediments to Factory-Built, Prefabricated, and Modular Homes

There could be significant opportunity in exploring alternative ways to deliver affordable housing that may be significantly less expensive. Ways are needed to scale up the production of housing with the potential to significantly reduce costs, further study will be needed on identifying next steps.

Limits on Building Size


Council may wish to consider future ballot proposals to allow additional housing development projects or community areas to be exempted from the 30-foot coastal height limit and continue to implement Floor-Area-Ratio and density based bonus programs to increase the City's overall housing production.

Lack of Dedicated Local Resources for Affordable Housing

Options for increasing local resources for affordable housing could include: 1) greater use of existing funds (which would come with significant budgetary tradeoffs), or 2) ballot measure options which could take multiple forms.

The City of San Diego is permitting 9400 less housing units per year, and growing, than their housing needs assessment requires. This means that unless the City takes dramatic actions, the gap between housing needs and housing will grow to over 100,000 homes. Meanwhile the state government is churning out laws and regulations that make it tougher and more expensive to build housing or do any construction. This in an era of a statewide homelessness crisis. What a mess!

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MARLENE NOWLIN, ESQ.



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WELCOME NEW MEMBERS

Welcome New Members

The AGC Board of Directors and AGC staff would like to welcome the following new members to AGC:

AR Concrete
[Building Buddy](#)
[Teague Insurance](#)

AGC's Motto: "It's Good Business to do Business with AGC Members."

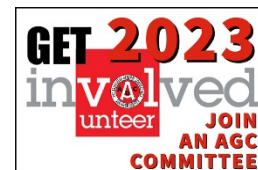


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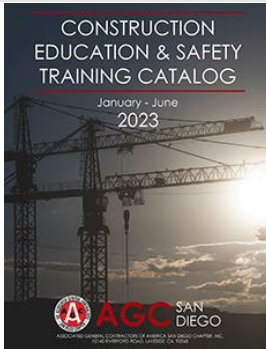
January 30 - Feb 1 - Fall Protection 24 Hour CPT **JUST ADDED ONLY 6 SEATS OPEN**

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INDUSTRY NEWS

BOOK TODAY AGC of America 2023 Convention in Las Vegas

By Eddie Sprecco, CEO AGC San Diego

Every three years in Las Vegas, the 2023 AGC of America Convention is held jointly with CONEXPO as the largest construction trade show in North America – all AGC attendees get a CONEXPO pass as part of the registration. **It is such a big hit that the AGC room block is beginning to SELLOUT.** Check the **travel page for availability** and for alternative hotels: <https://convention.agc.org/travel-accommodations/>

This year, in place of AGC San Diego's spring conference, we are encouraging all AGC members to participate in the AGC of America Convention. There are lots of valuable resources to tap into, and with just a short hop from San Diego, it's a great opportunity to attend. San Diego Chapter members will be competing for Safety Awards, Build America project awards, and other recognitions alongside AGC members from across the country.

AGC San Diego members will be invited to a Chapter specific dinner on March 15 and chapter staff will be available throughout the week to help navigate attendees through the **jam-packed agenda** to get the most out of their time: <https://convention.agc.org/agenda/>

In particular, the Divisional meetings are helpful to learn about resources available year-round to contractors in Building, Utility, Federal and Heavy, and Highway and Transportation Segments of the industry. AGC San Diego contractors have leadership roles on several of these Divisions that drive the priorities for AGCA and staff.

2018 AGCSD President **Jeff Harper**, *Harper Construction*, Chairs the AGCA Federal and Heavy Construction Division – a crucial role for San Diego and the nation. 2006 AGCSD President **Thomas L. Brown**, *Sierra Pacific West*, is also slated to be sworn in as Senior Vice President of AGC of America at this convention, and is expected to take over as **2024 President** at **next year's convention here in San Diego!**

Come on out to support AGC's efforts at the national level that have been critical in the years past and will be equally critical for the challenging years to come.

Registration is Open: <https://convention.agc.org/registration-information/>

See you there!

Governor's Budget

By Felipe Fuentes, AGC Legislative Advocate

Governor Newsom released his budget earlier this month. ***The following are industry highlights put together AGC San Diego Legislative Advocate, Felipe Fuentes, and the Governor's own summary.***

California faces an estimated budget gap of \$22.5 billion in the 2023-24 fiscal year. As is the case in every budget year, this number and the budget that gets passed by the Legislature on June 15 will change as the state's economic outlook gets clearer closer to the end of the fiscal year. As you may recall from years past, the Governor will do a "revise" of this budget in May before sending to the Legislature. The Legislature then has until June 30, 2023 to pass the budget or they don't get paid per a voter approved initiative.

Fortunately, through prudent planning and budget resilience built into budgets by previous Legislatures, the state is in its best fiscal position to address an economic slowdown or recession. These previous actions have included the use of recent surpluses to boost the state's budget reserves and pay down prior debts. New appropriations have employed "triggering" cuts to new ongoing programs should there be insufficient revenue availability in out years.

Unless there is a steep downturn, the Governor and Legislature will not likely have to propose the kind of deep reductions to priority programs that marked the budget shortfalls over the past two decades. It will, however, require the state to delay or forego some spending in the near term. Specifically,

- **Funding Delays—\$7.4 billion.** The Budget delays funding for multiple items across the 2021-22 through 2023-24 fiscal years and spreads it across the multi-year without reducing the total amount of funding through the multi-year.
- **Reductions/Pullbacks—\$5.7 billion.** The Budget reduces spending for various items across the 2021-22 through 2023-24 fiscal years and pulls back certain items that were included in the 2022 Budget Act to provide additional budget resilience. Significant items in this category include the \$3 billion included in the 2022 Budget as an inflationary adjustment, and a \$750 million Unemployment Trust Fund payment in the 2023-24 fiscal year.
- **Fund Shifts—\$4.3 billion.** The Budget shifts certain expenditures in the 2022-23 and 2023-24 fiscal years from the General Fund to other funds. These include (1) shifting various California State University (CSU) capital outlay projects to CSU issued debt with the state providing support for the underlying debt service, (2) reverting certain bonds to cash projects from

the 2022 Budget Act back to bonds, and (3) shifting certain Zero Emission Vehicle commitments to the Greenhouse Gas Reduction Fund.

- **Trigger Reductions—\$3.9 billion.** The Budget reduces funding for certain items in the 2020-21 through 2023-24 fiscal years and places them in a “trigger” that would restore the reductions at the 2024 Governor’s Budget if it is determined that sufficient funds will be available to cover certain commitments. These commitments include: baseline adjustments, enrollment, caseload, and population adjustments, constitutional obligations, as well as the cost of funding all of the items included in the trigger. **These items are primarily in the areas of Climate and Transportation**

TRANSPORTATION

The 2022 Budget Act included \$13.8 billion for transportation programs and projects that align with the state’s climate goals. Given the projected decline in General Fund revenues, the Budget includes \$2.7 billion in General Fund reductions, partially mitigated by an additional \$500 million from state transportation funds, to maintain \$11.6 billion (84 percent) of these investments. This considerable level of investment will position the state to continue pursuing significant federal funding through the IIJA and other federal programs by leveraging funding from both state and local sources. To date, California has secured \$38 billion in IIJA formula funding for highway and transit programs and could receive billions more in additional competitive federal transportation grants over the five years of IIJA implementation.

Below is a list of proposed significant budget adjustments.

- **Transit Intercity Rail Capital Program**—A reduction of planned funding in 2023 and 2024 from \$2 billion each year to \$1 billion in 2023-24 and \$500 million in each of 2024-25 and 2025-26. These funds are set to be allocated proportionally, by region, based on population. This maintains approximately \$5.7 billion (74 percent) of the original \$7.7 billion planned additional funds for local transit capital infrastructure projects. If there is sufficient General Fund in January 2024, this reduction will be restored.
- **Active Transportation Program**—A reduction of \$500 million General Fund, with \$300 million of the reduction being restored from State Highway Account funds, for a net reduction of \$200 million. This will allow the program to sustain all the programming capacity approved in the 2023 programming cycle. This maintains approximately \$850 million (81 percent) of the original \$1.05 billion of additional funds for projects that increase the proportion of trips accomplished by walking or biking and increase the safety and mobility of non-motorized users.
- **Climate Adaptation Program**—A shift of \$200 million General Fund with \$200 million State Highway Account funding, leaving unaffected the project funding that supports climate resiliency and reduces infrastructure risk.
- **Safety Grade Separations**—A delay of \$350 million of funding originally planned to be available in 2023-24, which will instead be made available in 2025-26. Given the multi-year nature of these types of projects, this shift should not significantly impact the ability to deliver the same number of originally planned projects that improve safety for people walking, biking, and driving at rail crossings.

To read the whole summary, [click here](#)

Announcing the 2023 AGC Build San Diego Awards “Call for Entries”

By Rae Krushensky, Director of Meetings & Events and Member Services

It's time to start working on your entries for the prestigious **AGC Build San Diego Awards** Program. The awards recognize San Diego's most impressive construction projects, ranging across the building, highway & transportation, underground & utility infrastructure, and heavy division categories.

The event is scheduled for November 14, 2023.

We are very honored to have [Hawthorne Cat](#) and [Torrey Pines Bank](#), back as our Title Sponsors this year!



Hawthorne Cat and **Torrey Pines Bank** have been supporting this vital construction industry event for many years. They make a great team and AGC San Diego partner.

Entries in the Build San Diego Awards program are open to all General Contractor, Contractor, and Specialty Contractor members who worked as the “**prime**” on the job they are submitting for, and who are in good standing with The Associated General Contractors of America, San Diego Chapter, Inc.

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.

Recipients of a coveted Build San Diego Award in the following categories will have demonstrated the very best when it comes to building a better San Diego:

- *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*

To be eligible, projects must have been completed between September 1, 2021 and August 31, 2023.

ENTRY DEADLINE: Any time before August 31, 2023 @ 12:00 NOON

[AWARDS ENTRY FORM LINK](#)

[AWARDS INFO PDF](#)

[AGC BUILD SAN DIEGO WEBSITE PAGE](#)

Questions? Please contact [Rae Krushensky](#), (619) 592-4525.

Regulatory Roundup for 2023

By Mike McManus, Director of Engineering Construction and Industry Relations

CARB

In 2020, Governor Newsom issued Executive Order N-79-20, which set new statewide goals for phasing out gasoline, diesel and propane fueled cars and trucks in California. Newsom's vision is to require 100% of sales of new passenger cars and trucks to be zero emission vehicles by 2035, and medium and heavy duty trucks and busses by 2045. Also included in the Order was to require off-road vehicles to be zero emission by 2045 where feasible. This executive order has been used by the California Air Resources Board (CARB) as justification to accelerate regulations that will be costly for many industries including construction.

For on-road fleets, the proposed Advanced Clean Fleet Regulation, which mandates zero-emission truck purchases for fleets over 50 trucks, is now being considered by CARB, with regulations expected sometime in 2023. CARB is pushing electrification, based on Newsom's executive order, even though they have no answers for questions about electric grid reliability, charging infrastructure feasibility and the availability of electric vehicles.

What should fleets do in 2023?

On-Road

For vehicles, with GVWR 14,001 and greater, and engine model years 2009 or older. The present on-road regulations require those vehicles to be sold, retired, or claim low use (1000 miles annual max). As of January 1, 2023, only trucks (GVWR 14,001 and up) with engine model year 2010 and newer remain compliant with the regulation. The experts tell us that most likely CARB has placed a DMV hold on the non-compliant vehicles and registration will be held up until compliance is demonstrated.

CARB has a presently scheduled workshop on the proposed Advanced Clean Fleets Regulation on February 13, 2023. Be on the lookout for information from AGC on how on-road fleet owners can participate in the hearing.

Off-Road

CARB adopted amendments to the Off-road Regulations in November 2022. Many construction industry associations worked with CARB staff to develop solutions to the proposed amendments that benefitted air quality, and helped mitigate some of the difficulties for fleets to comply. CARB largely ignored the industry proposals. Some of the amendment's short-term requirements are listed below.

In 2023, all fleets, no matter their size, can add only vehicles with Tier 3 or newer engines. Fleets may keep their Tier 0, Tier 1, and Tier 2 engines they own, provided the fleet meets target emissions levels for 2023. Here is what to watch out for starting in 2024.

Starting January 1, 2024:

- Vehicles with Tier 3 engines are no longer permitted to be added to any fleet.
- Large fleets are required to phase out vehicles with Tier 0 engines. The vehicle can be retired from the fleet or made low use (less than 200 hours per year)
- Fleets will be required to utilize renewable diesel fuel (R99 or R100), unless the entire fleet has engines that are Tier 4 final.

It should be noted, that the agricultural sector is not under CARB's Off-road regulations. It is likely that many of the Tier 0, Tier 1 and Tier 2 engines that will be sold off by construction fleets will end up on California's farms. This obviously defeats the purpose of the regulation's new operational ban amendments that apply to the construction industry but not the agricultural industry.

Be on the look out for AGC sponsored workshops on CARB's new regulations, later in 2023.

State Water Board

In September 2022, the California State Water Resources Control Board approved the new Construction General Permit. The new permit will go into effect on September 1, 2023. However, projects that have coverage under the current permit may continue coverage under the existing permit for two years after the effective date.

Changes to the permit include:

- Increase inspection requirements at the job sites for the Qualified Stormwater Developers and the Qualified Stormwater Practitioners.
- Additional sampling requirements
- Incorporation of Total Maximum Daily Loads (TMDL's) for specific pollutants in a limited number of watersheds. This may require owners to install portable water treatment plants on project sites in the watersheds having a TMDL regulation. In San Diego, only the Chollas Creek Watershed looks to have a TMDL regulation.
- New dewatering requirements for projects that do not require a separate dewatering permit.

Be on the lookout for AGC sponsored training on the new Construction General Permit. We encourage contractors to look at your existing and upcoming projects to evaluate how the new permit may affect your costs, operations, and schedules in the future.

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UPCOMING EVENTS

Mark Your Calendars



February 9-12 - **WINTER CONFERENCE** - Ritz Carlton Tahoe - **SOLD OUT!**
 March 13-16, 2023 - [AGC ANNUAL CONVENTION](#) - Las Vegas @ Wynn
 March 30, 2023 - Affiliate Mixer - Tom Ham's Lighthouse

COMMITTEE MEETINGS

FEBRUARY MEETINGS

Feb. 1 - 7:00 AM - **Safety Committee** - Lakeside
 Feb. 9 - 1:30 PM - **SDUSD Liaison** - Virtual
 Feb. 15 - 4:00 PM - **Construction Leadership Council (CLC)** @ Hazard Construction
 Feb. 16 - 12:00 PM - **Meetings & Events** - Lakeside
 Feb. 21 - 12:00 PM -- **Affiliate Council** - Lakeside
 Feb. 23 - 11:00 AM - **Union Signatory Contractors Committee** - Lakeside



[Committee Meeting Calendar](#)

[Get Involved - Join a Committee](#)

TRAINING CLASSES

Classes are held at our **Ferris Square** location in Sorrento Valley, or our **Lakeside** location, as well as **online**, or **offsite**, as noted below.

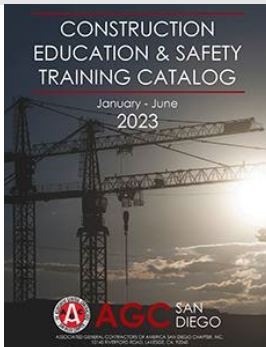
JANUARY CLASSES

January 31 - *offsite* - Microsoft Excel - Advanced

FEBRUARY CLASSES

Feb. 2 - *Lakeside* - **CPR/ First Aid**
Feb. 6-8 - *Ferris* - **Fall Protection 24-Hour CPT for EM 385**
Feb. 7 - *Lakeside* - **Stormwater Breakfast Forum** (in person)
Feb. 7 - *offsite* - **Quickbooks for Beginners**
Feb. 8 - *Lakeside* - **Project Management Bootcamp**
Feb. 8-9 - *online* - **CQM (Limited Seating)**
Feb. 9 - *offsite* - **Microsoft Excel Beginner**
Feb. 13 - *Ferris* - **Fall Protection Competent Person Retraining**
Feb. 14 - *Ferris* - **Forklift Operator Certification**
Feb. 14 - *offsite* - **Quickbooks for Intermediate/Advanced**
Feb. 14 - *Ferris* - **Scaffold 8-Hour CPT Training**
Feb. 14-16 - *Ferris* - **Scaffold 24-Hour CPT Training**
Feb. 15 - *Lakeside* - **EM385 Refresher Training**
Feb. 16 - *offsite* - **Microsoft Excel - Intermediate**
Feb. 20 - *Lakeside* - **Prevailing Wage, Certified Payroll**
Feb. 20-22- *Ferris* - **Fall Protection 24-Hour**
Feb. 20-23 - *Lakeside* - **OSHA 30-Hour**
Feb. 21 - *Lakeside* - **Traffic Control**
Feb. 21- *Lakeside* - **Caltrans approved Flagger Certification**
Feb. 21-22 - *Ferris* - **SWPPP Practitioner**
Feb. 21-23 - *Ferris* - **SWPPP - Developer**
Feb. 22-23 - *Lakeside* - **Blueprint Reading**
Feb. 22-23 - *online* - **CQM**
Feb. 23 - *offsite*- **Microsoft Excel - Advanced**
Feb 27 - *Ferris* - **Fall Protection 8-Hour CPT**

2023 schedule for [AGC EDGE](#) Virtual Courses. Make sure to mark AGC San Diego for referral chapter.



2023 Training Calendar and Class Registration

January 2023 - June 2023
Education & Safety Training Catalog

If you do not see a class that your team needs, please contact the AGC San Diego Education Department to check upcoming schedule or to schedule a group training session.

[Becca Schaffer](#), 619-592-4533

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AGC Government Affairs Office & Fall Protection Training Campus
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San Diego, CA 92121
2nd floor
[DIRECTIONS](#)

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 Vice President Government & Industry Relations, Dustin Steiner.

Please contact [Eddie Sprecco](#) or [Dustin Steiner](#) 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.

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