

JANUARY 2022

January 3, 2022

January 10, 2022

January 17, 2022

January 24, 2022

January 31, 2022



What is this Road User Charge?

By Mike McManus Director of Engineering Construction & Industry Relations

A recent SANDAG Board of Directors meeting was dedicated to adopting a new Regional Transportation Plan referred to as *San Diego Forward*. The plan contained and has promoted the idea of a "Road User Charge," which means that drivers on freeways in the San Diego region would have to pay a toll on a per mile traveled basis sometime after 2030 if this feature of the plan is adopted. Curiously, few in the general tax paying public were aware of this proposal. Recently, some of the SANDAG Board members have suddenly distanced themselves from this planned new tax, and it is not surprising considering it is likely wildly unpopular.

The purpose of this Road User Charge according SANDAG reports is two-fold. One, it is a crucial source of funding for future projects outlined, philosophically, in the Regional Plan. And secondly, it is intended to be set by regional planners at a cost that compels drivers of automobiles in the future to trade in their cars and ride the bus or a train or their bicycle to drop off their kids, go to work and run errands.

This is called "modal shift" in transportation academia. Not likely in the real world if you give it much thought. The folks most likely to feel the pinch of this social engineering exercise would be low-and moderate-income residents, people of means likely won't notice. Which seems to go against one of the slogans about this transportation plan-- "cleaner, faster, and fairer."

So, what is this Road User Charge and how would it work? There have been some efforts by this state and others to figure this out.

California Gov. Gavin Newsom, a Democrat, <u>signed</u> legislation in September, expanding a pilot program that charges drivers a fee based on the number of miles they drive instead of a gasoline tax.

Oregon and Utah launched similar pilot <u>programs</u> in 2015 and 2020, respectively, which yielded mixed results. Few people volunteered for the programs initially because of privacy and equity concerns, but the states have since seen more participation after addressing some of those problems.

Federal and state gasoline taxes fund road construction and repair and have been consistently declining. Drivers increasingly are turning to more hybrid, electric and fuel-efficient cars.

Between 1993 and 2020, average fuel efficiency improved by approximately 26%, according to a 2020 report by the Institute on Taxation and Economic Policy, a liberal think tank. Meaning drivers on average can go an extra 75 miles between fill-ups. "Those 75 extra miles of driving are generating wear and tear on the nation's roads, without requiring any offsetting gas tax payment to cover the cost," the report found.

Under the new California law, which Newsom signed in the Fall, volunteers for the program will get bills for the number of miles they drove in the state and be refunded for any gasoline taxes they paid. The plan relies on odometer measurements or GPS tracking to determine the number of miles. The earlier version of the program used mock bills that simply showed how much a driver would owe.

Studying the real thing will give both the state and drivers a taste of the true experience. The move comes as an executive order by Newsom will ban the sale of internal combustion vehicles statewide by 2035. It is unclear if the political will for imposing this ban, by executive fiat, will stand the test of time. However, a recent study by a well-known transportation think tank shows that the reduction in the gas tax as a revenue source will be at least 25% below 2020 levels in 2040 and could be as much as 60% less. This big range of possibilities is due to the fact that it is far from clear that a large segment of the population will be able to afford electric vehicles and will be able to use them for long commutes.

"This extension is a crucial step and will help better equip the state with the necessary information regarding the potential for a road charge system to replace the gas tax to fund transportation infrastructure and maintenance," said the Bill's author state Sen. Scott Wiener, a Democrat from San Francisco.

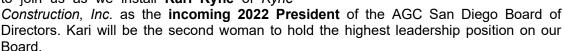




Sign up to attend the AGC Installation Dinner - Thursday, January 20, 2022 at the Marriott Marquis, San Diego Marina

(Sponsored by Surety Associates of Southern California)

It's going to be a big night, and we welcome you to join us as we install **Kari Kyne** of *Kyne*



2022

This event is an opportunity for the industry to hear from the **outgoing President**, **Mike Williamson**, of *Pacific Coast Iron*, and his comments on the progress of the AGC and the accomplishments of the industry during the past year. It is also an opportunity to hear the incoming President's vision for 2022.

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:

- Acknowledgment of our retiring AGC Committee Chairs and Board Members
- Presentation of the coveted, AGC Member Awards...given to individual members and firms that played major roles in leading the industry during 2021
- Graduation of AGC Apprentices with honors
- Presentation of the significant, Annual Construction Safety Excellence Awards
- 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 2021 and in 2022.

The program is proudly sponsored by another woman owned business:



We depend on the support of companies like these for supplying the funds that we need to make a difference in the quality of our events. Thank you Cyndi Beilman. It is very much appreciated. REGISTRATION FLYER

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6 Months Look Ahead...2022 Events!

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March 17 - AFFILIATE MIXER @ Tom Ham's Lighthouse
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May 5-7 - SPRING CONFERENCE - @ La Quinta Resort, La Quinta
June 3 (date to be confirmed) - AGC/EGCC SPRING GOLF @ Maderas Golf Course
June 21 - BASEBALL BASH @ Petco Park

EDUCATION & TRAINING CLASSES

- Jan. 4 Stormwater Ask an Attorney Online
- Jan. 10 Fall Protection CP Refresher @ Ferris Square
- Jan. 10-11- NAVFAC Fall Protection 40 Hour CPT @ Ferris Square
- Jan. 11- Excel Beginners Offsite
- Jan. 12 NAVFAC Fall Protection 40-Hour CPT@ Ferris Square
- Jan. 12 Skilled and Training Workforce Requirements @ Lakeside
- Jan. 12 USACE CQM C Training Online
- Jan. 12 Foreman & Superintendent Boot Camp @ Lakeside
- Jan. 12 NAVFAC Qualified Rigger and Signal Person @ Ferris
- Jan. 13 NAVFAC Fall Protection 40-Hour CPT@ Ferris Square
- Jan. 13 MEWP (Boom/Scissorlift) Operator Training @ Ferris Square
- Jan. 14 NAVFAC Fall Protection 40-Hour CPT @ Ferris Square
- Jan. 17 EM 385-1-1 Refresher @ Ferris Square
- Jan. 17-19 Fall Protection 24 Hour CPT @ Ferris Square
- Jan. 18 Excel Intermediate Offsite
- Jan. 18 New California HR Laws for 2022 Online
- Jan. 19 Quickbooks Intermediate / Advanced Offsite
- Jan. 19-20 Blueprint Reading @ Lakeside
- Jan. 19 High Level Financial Planning @ Lakeside
- Jan. 19 NAVFAC Qualified Rigger and Signal Person @ Ferris Square
- Jan. 20 OSHA Recording (OSHA 300) @ Lakeside
- Jan. 20 Silica CPT@ Lakeside
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Jan. 27 - Project Management Boot Camp @ Lakeside

Jan. 27 - Soft Skills Professional Development @Lakeside

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For more information on classes, contact: Becca Schaffer, 619-592-4533



Training Calendar & Class Registration

ONLINE PLAN ROOM





COMMITTEE/COUNCIL MEETINGS

Committee Meeting Calendar

Get Involved - Join a Committee

JANUARY MEETINGS

Wednesday, January 5, 2022 - **SAFETY** - 7 AM - Virtual Thursday, January 13, 2022 - **MEETINGS & EVENTS** - NOON - Lakeside Wednesday, January 19, 2022 - **BUILD & SERVE** - 8 AM - Lakeside /Virtual Friday, January 28, 2022- **NAVFAC** - 9:30 AM - Virtual - Go To Meeting

AGC LOCATIONS



AGC East County Facility & Apprenticeship Training Center

10140 Riverford Road Lakeside, CA 92040 (858) 558-7444 <u>DIRECTIONS</u>



AGC Government Affairs Office & Fall Protection Training Campus

6212 Ferris Square 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 <u>Eddie Sprecco</u> or <u>Dustin Steiner</u> 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 10, 2022

The VOICE of Construction



New Laws Affecting Contractors in 2022

By Felipe Fuentes, AGC Legislative Advocate and Dustin Steiner, Vice President Government & Industry Relations

The new year always brings with it new laws. The following are bills passed by the legislature in 2021, signed into law by the Governor, and enacted in 2022.

AB 332 (Committee on Environmental Safety and Toxic Materials) Hazardous waste: treated wood waste: management standards.

This measure gives the Department of Toxic Substances Control (DTSC) until July 1, 2028, to present a plan to the Legislature for the future disposal of Treated Wood Waste (TWW). This extension was necessary for the construction industry as the State was unprepared to limit disposal of TWW to hazardous waste only facilities as was intended after December 31, 2020. As such, TWW will again be accepted in previously approved waste facilities.

AB 830 (Flora) Business: Department of Consumer Affairs: licensed professions and vocations.

This measure will clarify that a Responsible Managing Employee on a contractor license can accomplish the requirement to supervise and control on construction projects either directly or indirectly by supervising a designated employee. This measure was introduced in response to issues raised in the *McCosker vs. CA Department of Water Resources*.

AB 1023 (Flora) Contractors and subcontractors: records: penalties.

This bill will require that a contractor or subcontractor furnish specified payroll records at least once every 30 days while work is being performed on the project and within 30 days after the final day of work performed on the project. These records will now be required to be submitted in an electronic format. Contractors, or subcontractors, who fail to furnish those records relating to its employees in the manner specified will be liable for a penalty of \$100 per day, not to exceed \$5,000 per project.

SB 607 (Min) Business and professions.

This bill revises the Contractors State License Board's (CSLB) authority to set fees by regulation and would increase various fee amounts. In connection with initial license fees and renewal fees for active and inactive licenses, the bill would differentiate between an individual owner as opposed to a partnership, corporation, limited liability company, or joint venture, and would authorize higher fees for the latter categories of licensees. Additionally, the bill requires that a contractor's bond now be \$25,000 instead of \$15,000 beginning in 2023.

SB 727 (Leyva) Labor-related liabilities: direct contractor.

This law expands current liability that requires direct contractor to make the employees of their subcontractor whole for nonpayment of wages and fringe benefits to also include penalties and liquidated damages.

The construction industry was able to get safe harbor language inserted that exempts the direct contractor's liability from penalties & liquidated damages if the direct contractor: 1) monitors payment of subcontractor wages by periodic review of payroll records, 2) Upon becoming aware of a failure to pay wages, the contractor must take corrective action, including withholding payments from the subcontractor, and 3) Prior to making final payment to the subcontractor, the direct contractor must obtain an affidavit from the subcontractor affirming that all workers have been properly paid.

SB 606 (Gonzalez) Workplace safety: violations of statutes: enterprise-wide violations: egregious violations.

This bill creates two new Cal OSHA violations: the enterprise-wide violation and the egregious violations.

This bill creates a rebuttable presumption that a violation committed by an employer with multiple worksites has committed an enterprise-wide violation if:

- 1) the employer's written policy or procedure violates Cal OSHA regulations; or
- 2) Cal OSHA has evidence of a pattern or practice of the same violation committed by the employer at one or more of its worksites. If the employer is unable to rebut the presumption, Cal OSHA may issue an enterprise-wide citation requiring enterprise-wide abatement, which includes penalties up to a maximum of \$124,709 per violation.

The bill also creates a new "egregious violation" category which means a willful violation that meets one of seven specified conditions outlined in the bill. If an egregious violation exists, it can be multiplied by the number of employees exposed to such violation.

The construction industry was able to have language added to limit the number of additional exposed employees from being included on a prequalification questionnaire. Language was added in the enterprise-wide violation section to ensure that the employer being held responsible was the actual employer. So, the General Contractor will not be held responsible for a violation by a subcontractor.

Serious Times and Serious Questions

By Mike McManus Director of Engineering Construction & Industry Relations

Internationally

According to the International Energy Agency (IEA) in a report issued in recent months, global demand for fossil fuels could peak by 2025 if the world's current climate pledges, by some developed nations are fully met, but oil demand would remain at three-quarters of current levels by 2050, missing climate targets by a wide margin. I thought the climate crisis was an imminent threat to civilization? The results of this report, by international experts, do not sound like the world is getting serious.

In recent climate talks, in Glasgow, Scotland, some nations are proposing a new 'Announced Pledges Scenario' (APS) to reduce fossil fuel consumption. However, fossil fuel consumption, which will peak in a few years at 97 million barrels, will still be at about 77 million billion barrels per day in 2050, the IEA said in its latest *World Energy Outlook*. Although oil use falls in countries that are pledging a climate neutral world by mid-century, the IEA data shows, those reductions are offset by a substantial increase in fossil fuel use in the rest of the world, by countries who did not participate in the climate talks in Scotland recently. That does not sound like a hydrocarbon free future.

Noting a strong rebound in global energy demand in the wake of the coronavirus pandemic that has not been matched by spending on supply, the IEA warned of potential energy price volatility in the coming years if investments do not pick up. In other words, oil production is being reduced in some countries, but is not being replaced by other types of energy production at the rate needed to meet demand.

Current climate pledges would result in only a fifth of the emissions reduction by 2030 that is necessary to put the world on a path towards net-zero by 2050, according to the IEA. But reaching that goal would require investment in clean energy projects and infrastructure to more than triple over the next decade, it said. Energy experts are warning that there is a looming risk of more turbulence for global energy markets. "We are not investing enough to meet for future energy needs, and the uncertainties are setting the stage for a volatile period ahead."

California

Internationally, this is hardly a picture of a hydrocarbon free future that has been touted by the last three California Governors including Gavin Newsom. That said, it's high time our political leaders in Sacramento share with us some of the details about their sweeping promises that California will lead humankind into a brave new hydrocarbon-free future.

If California is to <u>ban sales of gasoline-powered cars</u> in the next 14 years, how will it be done? While California leads the nation in the sale of battery-powered vehicles, they still are only a tiny percentage of overall auto purchases. Here are just a few obvious questions:

- What about having adequate infrastructure of charging stations?
- Will we have enough electrical power available for charging, since we can't sometimes meet the present demand?

At the same time Newsom wants to eliminate all power generation from natural gas and other hydrocarbon sources, again questions:

- So what's the plan for that conversion?
- Can we develop enough solar and wind power to meet all demands for juice?
- How will the price for energy change for working families?
- What will we do when the sun doesn't shine and the wind doesn't blow?
- We would need immense banks of batteries or other storage facilities to take up the slack. Will there be enough lithium to construct those batteries without depending on other nations?
- What happens to the hundreds of thousands of workers in oil fields and refineries?
- Will that mean banning diesel-powered ships from California's ports?
- And jet planes from the state's airports?
- Will we even have airports anymore?

As we have seen recently, the Legislature has decreed that we will ban small gasoline powered engines, again more questions:

- If we can no longer buy gasoline-powered lawnmowers and other tools, how will we do the work they now perform?
- Will homes, hospitals, schools and other vital buildings be left without backup power from standby generators when the grid goes down?
- Will firefighters no longer have chain saws and bulldozers to battle wildfires?

It is time that our elected leaders in California and Washington start being serious about these serious questions. Most people generally agree that the climate seems to be changing. What people don't agree on is the political, technical, and social feasibility of actually implementing these sweeping proclamations to reduce greenhouse gas emission to combat climate change.





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(Proudly sponsored by Surety Associates of Southern California)



It's going to be a big night, and we welcome you to join us.

Highlights of the evening will include:

- Kari Kyne, President of Kyne Construction, to be installed as the 2022
 AGC San Diego President. Kari will be the 2nd woman to hold the highest
 leadership position on our Board. Come and show your support as Kari
 takes the reins of the AGC this year.
- **Mike Williamson**, of *Pacific Coast Iron*, will share his comments as the outgoing President on the progress of the AGC and the accomplishments of the industry during the past year.
- Presentation of AGC San Diego Member Awards.

There are many companies and individuals within the AGC who strive to be the very best they can by demonstrating honest and ethical business practices, by exemplifying the AGC motto of Skill, Integrity and Responsibility, and by their promotion, involvement, and support of the AGC, San Diego Chapter.

- AGC CSEA Presentation Construction Safety Excellence Awards
- AGC Apprentice Program Honor Graduates
- AGC Project Management Program Graduation

You have a strong investment in this Association. It is important that you understand the significance these programs portray and the messages our leaders have concerning the direction of the AGC.

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January 17, 2022

The VOICE of Construction



COVID-19 Round-Up

By Dustin Steiner, *Vice President Government & Industry Relations & Mike McManus, Director of Engineering Construction & Industry Relations*

Last week, in a split decision (6-3), the United States Supreme Court ruled that the federal government overstepped its bounds by placing a one-size-fits-all vaccination mandate on private employers. The Court simultaneously upheld the mandate for healthcare workers. "OSHA has never before imposed such a mandate. Nor has Congress. Indeed, although Congress has enacted significant legislation addressing the COVID-19 pandemic, it has declined to enact any measure similar to what OSHA has promulgated here," the majority opined.

AGC of America joined with several businesses, states, and associations in filing suit against this sweeping mandate in November 2021. As the litigation now moves back to the lower courts to resolve litigation on the merits of the Emergency Temporary Standard (ETS), AGC of America will continue to pursue its lawsuit.

The vaccine mandate for federal contractors was unaffected by this decision. In December 2021, the 11th Circuit Court of Appeals issued a stay that could remain in effect until April 2022. In other words, the requirement for federal contractors to be vaccinated will not be enforced until further legal action, which could be several months.

Locally, the City of San Diego has begun implementing an emergency ordinance calling for mandatory vaccination of all City employees, consultants, **contractors**, and vendors. The City is leaning on the City's public works contracts section on General Terms and Provisions and the San Diego Municipal Code section 22.3004 as the basis for enforcing compliance on existing contracts. On December 21, 2021, Public Works Director James Nagelvoort issued a memorandum directing his staff to reach out to contractors doing work covered under the ordinance and obtain a completed and signed Certification of Compliance Form. AGC staff has had discussions with City staff and clarified the work must be **indoors** and the contact between City employees must be **"routine and regular."**

If you have received a demand from a resident engineer to complete and sign a Certification of Compliance Form, please let us know so that the AGC can continue the dialogue with the City and work out detailed workarounds that meet the City's public health goal and fairly compensates contractors who have been awarded low bid contracts prior to the enactment of this emergency ordinance.

AGC San Diego remains supportive of COVID-19 vaccination efforts, but is opposed to COVID-19 vaccination mandates.

CAL/OSHA updated its guidance on January 14, 2021. Please see resources here:

- FAQs on COVID-19 Prevention Emergency Temporary Standards (ETS)
- What Employers Need to Know About the December 16 Standards
- COVID-19 Isolation and Quarantine What Employers and Workers Need to Know

Lastly, there are rumblings in Sacramento about a new supplemental paid sick leave bill, which is expected to be introduced this week and move quickly. The previous bill, <u>SB 95</u>, was signed into law in March 2021, but expired on September 30, 2021. It is expected that a new bill will likely mirror SB 95 but will rely on state funding as federal funding has not been extended. With Governor Newsom touting a \$46 billion budget surplus, that should not be an issue.

COVID-19 response rules and regulations continue to be fluid, so please reach out to AGC staff with any questions or concerns.



Newsom Budget Proposal Highlights

By Mike McManus, *Director of Engineering Construction* & *Industry Relations*

The last few years in California have been wild, with record wildfire seasons, a drought getting worse, a homelessness crisis getting worse, a housing crisis, a poverty crisis, and a wave of smash-and-grab retail theft amid a coronavirus pandemic that seems to be getting worse in some ways. Is the governor addressing these

issues? Let's see.

When it comes to the state's finances, things are looking up. Tens of billions of dollars up due to the highest earners in the state making billions of dollars in the stock market among other places, even though many families in the state are impoverished and feeling the pinch of inflation.

Last week, Governor Gavin Newsom <u>unveiled a \$286.4 billion budget proposal</u>, 9% bigger than last year's record state spending plan. Buoyed by tax revenues that continue to roll in at even higher amounts than anticipated, <u>his administration projects a \$21 billion discretionary surplus</u> for 2022-23, plus tens of billions more in extra cash for schools, pension payments and reserve accounts.

The governor's framework is just the opening bid in negotiations with the Legislature, which must pass a budget by June 15 in order to get paid — though the details are not worked

out until well into the summer some years. A final deal could look significantly different from Newsom's proposal once lawmakers have their say.

Revenue projections, which administration officials said were calculated in December before the omicron variant sent COVID-19 cases surging again, could also change dramatically by May, when Newsom must submit a revised budget proposal called the "May Revise." Some pieces of his plan are:

- \$300 million to combat retail theft at malls and stores
- \$2.7 billion for pandemic response (half of that immediately)
- Bring back paid sick leave for workers who test positive for COVID-19
- \$2.2 billion (per year) to expand Medi-Cal to an additional 700,000 people a record \$119 billion for K-12 schools
- \$11.9 billion in contributions to state pension funds

State tax collection has been so robust that California, for the first time in decades, may exceed a <u>constitutionally-mandated spending cap</u>, above which any remaining money is split between schools and taxpayer rebates.

Newsom said his administration currently estimates the budget will be about \$2.6 billion higher than that limit in the coming fiscal year, though the number is expected to change when revised revenue projections are released in May. As a result, the governor held off on any proposals similar to the stimulus checks that the state sent to low- and middle-income households last year.

With gas prices climbing, Newsom proposed to forgo the annual increase to the state gas tax that, under SB1, would take effect in July, potentially lowering costs for drivers. That money — an estimated \$523 million to fund state and local road repairs and other transportation projects — could be replaced from the excess general fund revenue but that remains unclear. Newsom is again tampering with constitutionally protected funds dedicated to road and bridge repair under SB1 which the construction industry will push back on.

After another year of devastating wildfires, it appears our fire season is nearly year-round. The budget proposal includes \$1.2 billion to increase forest thinning and build fire breaks which could benefit the San Diego backcountry.

Still looking for climate solutions, the governor is continuing his drive for all zero emission vehicles in the state. His budget proposal last week included nearly \$6.1 billion to accelerate the transition to cleaner vehicles, with a focus on school buses and commercial trucks. Expect the California Air Resources Board (CARB) to promulgate more regulations for trucks and heavy equipment.

The budget proposal would spend also \$1.5 billion over the next two years to provide tiny homes and other interim housing as a bridge while more of the permanent units are completed, plus \$500 million to help local officials clear homeless encampments.



Reminder - Installation Dinner Postponed until March

Due to the rise in Covid cases, this week's Installation Dinner & Member Awards has been postponed until March.

Once the March date is confirmed, we will notify the membership.







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July 22 - DAY AT THE RACES





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Committee Meeting Calendar

Get Involved - Join a Committee

JANUARY MEETINGS

Wednesday, January 19, 2022 - 8 AM - **Build & Serve** - Virtual Friday, January 28, 2022 - 9:30 AM - **NAVFAC** - Virtual/GoToMeeting

FEBRUARY MEETINGS

Wednesday, February 2, 2022 - 11:30 AM - Affiliate Members Council @ Lakeside Wednesday, February 2, 2022 - 7:00 AM - Safety Committee - Virtual Wednesday, February 16, 2022 - 4:00 PM - Construction Leadership Council (CLC) @ Swinerton Thursday, February 17, 2022 - NOON - Meetings & Events @ Lakeside

MARCH MEETINGS

Tuesday, March 1, 2022 - 11:30 AM - **Specialty Council** @ Lakeside Wednesday, March 2, 2022 - 7:00 AM - **Safety Committee** @ Lakeside Wednesday, March 16, 2022 - 8:00 AM - **Build & Serve** @ Lakeside/Virtual Wednesday, March 16, 2022 - 11:30 AM - **H.R. Practices Committee** @ Lakeside

AGC LOCATIONS



AGC East County Facility & Apprenticeship Training Center 10140 Riverford Road Lakeside, CA 92040 (858) 558-7444 DIRECTIONS



AGC Government Affairs Office & Fall Protection Training Campus
6212 Ferris Square
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 <u>Eddie Sprecco</u> or <u>Dustin Steiner</u> 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 24, 2022

The VOICE of Construction



AGC Saves the Republic

By Eddie Sprecco, CEO

Well, that headline might be a little click-baity, but that's the current way of the world – hear me out....

According to the <u>Edelman Trust Barometer Report</u>, trust in media and government continues to crater at the same time we need those institutions to pull themselves together and address crisis on multiple fronts. The Edelman report puts distrust of the media and government at roughly two-thirds of Americans, mirroring similar results from a Gallup poll last year.

An even larger trust gap opened up with social media companies, which Americans are rightly waking up to the fact that these click-driven platforms are designed to create division by amplifying misinformation – all while harvesting your data and influencing elections!

It's no surprise that today's crises have been poorly handled – there are no trusted sources of information in traditional media, while the "democratizing force" of the internet turned into an oligarchy with a handful of tech companies manipulating what information the world can see. We used to agree on what problems exist and argue about priorities and solutions. There is no shared reality anymore.

This isn't just griping – the failure of media, old and new, has real world consequences. The most notable problem of the past three years, the COVID-19 pandemic and costly response, has been prolonged and deepened due to the failure of media. Gallup polling during the pandemic found that Americans overestimated the risk of death due to Covid in the 24 and underage group by 80 times - estimating 8% of the total vs. .1% which was the reality.

Even worse, due to the partisan nature of today's media, Republicans underestimated the efficacy of vaccines, while Democrats vastly overestimated the risk of Covid; 41% of Democrats said HALF or more of COVID patients end up hospitalized when the real number was between 1-5%. With this distorted view of the pandemic, it's little wonder that schools have been shut down for as long as they have – despite the massive, permanent

learning loss and psychological trauma inflicted on the next generation, with little upside in safety.

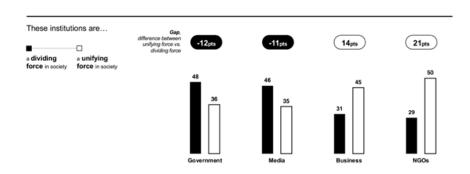
Not that elected officials were motivated to stop the cycle of disinformation – according to the Edelman report, they were willing participants in the cycle and dragged down institutions like the CDC with them. The COVID pandemic enabled trillions of dollars in spending and policy changes on elections and social programs that were long sought, but politically impossible, unless passed under an emergency status.

Overall, the pandemic, and the response, will cost the United States an estimated \$16 trillion and untold damage to students, families, small businesses, and trust in institutions. With better information from a non-partisan media, the efforts to fight COVID could have been much more narrowly tailored, more responsive to change, and the cost and death toll significantly reduced. And COVID isn't the only crisis. Trust in American democracy is also cratering due to this same vicious disinformation cycle and partisans taking advantage.

So, how does AGC save the Republic you ask? While trust in Government and the Media has been tanking, faith in Business and NGOs – like the AGC has been on the rise. More people are recognizing that trusted sources of information, without a hidden agenda, are preferable to today's media. In 2022, AGC is expanding reporting in MMQB, launching a podcast on industry issues, and speaking directly to the people. While we will still work to influence traditional press coverage and correct the record for elected officials, we can no longer rely on legacy media to self-correct.

GOVERNMENT AND MEDIA SEEN AS DIVISIVE

Percent who say



Edelman report noting that NGOs like the AGC are seen as the most unifying force in society.

So, for your new year's resolutions, add to the list: ditch the social media and other phony news sources. Sign up your friends, family, and colleagues for the MMQB newsletter and keep an eye out for ways to interact locally with decision makers on issues that actually matter to you, armed with facts from your trusted source of information – AGC.



Alphabet Soup

By Dustin Steiner, Vice President Government & Industry Relations

During his first 100 days in office in 1933, President Franklin D. Roosevelt established a multitude of new agencies to combat the Great Depression. These agencies – a series of bureaucratic acronyms – were both lauded by supporters

and derided by detractors as "alphabet soup." A once and future colleague of mine, as a new staffer at the County, implemented a local chamber's tradition of putting a dollar in the hat anytime someone used an acronym. So, get your wallets out because this week we have IIJA, BOS, VMT (with a possible TDM), LOS, PEIR, WFO, CWA, PLA, and my personal favorite PAC!

Tomorrow, AGC America will be hosting a two-part webinar series on the implementation of the historic Infrastructure Investment and Jobs Act (IIJA) recently signed into law by President Biden and how it will affect the 2022 highway, transportation, utility, and direct federal construction markets. Part one - Expanded Market Opportunities and Outlook for the 2022 Highway and Transportation Markets - is tomorrow, January 25 at 11 AM PST. To register click here.

On Wednesday, the County Board of Supervisors (**BOS**) will consider options to implement Vehicle Miles Traveled (**VMT**) in accordance with Senate Bill 743. On July 1, 2020, the State replaced the old standard of evaluating traffic impacts using level of service or **LOS**, with vehicle miles traveled. Developers will have to show that any new development will produce fewer VMT than the average in the area or institute mitigation measures to achieve that. Supporters include environmental groups who sued the County in 2020 and want more transit, biking, and walking while pushing new development to infill projects. Opponents believe the standards cannot be met and therefore create a defacto moratorium on development in the unincorporated areas of the County.

In January, the County Planning Commission recommended the Board "prepare a Transportation Demand Management (**TDM**) program with a Programmatic Environmental Impact Report (**PEIR**) that includes a statement of overriding considerations in acknowledgement that it is not feasible to fully mitigate VMT. The TDM program would require projects to implement a minimum number of TDM measures depending on their location, excluding projects located within infill areas. If that is not feasible or if the applicant prefers, an applicant could pay into a fund to add TDM measures in a location where implementation of the measures make most sense."

The <u>Board Letter</u> is a whopping 51 pages and also includes many attachments. The County has also set-up a <u>website</u> with the history of this project. If you wish to submit an e-comment <u>click here</u>. If you prefer to call-in during the meeting follow the instructions <u>here</u>.

The County is also seeking feedback from stakeholders for its so-called "Working Families Ordinance" (WFO). If you lease space from the County or County Airports and are interested in providing input, click here. If you perform construction projects for the County click here.

On Thursday, the County Water Authority (**CWA**) will consider adopting a new Project Labor Agreement (**PLA**) threshold. Currently, the CWA only considers PLAs on projects

above \$100 million. This item would lower that number to \$1 million. To review the agenda or to comment click here.

If you've made it this far, you know the importance of having a robust Political Action Committee (**PAC**) to have a seat at the table. There you will find a hearty bowl of alphabet soup and that hat anxiously awaiting your *dollar*. Will you <u>donate</u> today?

Federal Agencies Outline Transportation Funding

By Mike McManus, Director of Engineering Construction & Industry Relations

The Infrastructure Investment and Jobs Act (IIJA) continues to take shape as Federal agencies release information on funding. The Federal Highway Administration announced last week that \$9.5 billion has been appropriated under the Infrastructure Investment and Jobs Act for Highway Infrastructure Programs (HIP) for FY 2022. Of that amount, \$5.5 billion has been set aside for a bridge replacement, rehabilitation, preservation, protection, and construction program, also known as the Bridge Formula Program (BFP)). The funds are available immediately to the states and may be used for expenditures until 2025.

The remainder of the funding is set aside to a number of other programs, the largest of which are outlined below:

\$1 billion for the National Electric Vehicle Infrastructure Formula Program \$250 million for construction of the Appalachian Development Highway System \$640 million for the Nationally Significant Freight and Highway Projects Program \$1.8 billion for the Bridge Investment Program

The BFP is allocated proportionately to each state based on their share of bridges in poor or fair condition among all the bridges nationally that are in fair or poor condition. Additionally, 15% of each State's distributed funds are set aside for use on off-system (local agency) bridges.

California's share of this \$5.5 billion annual program for FY 2022 is:

Highway System Bridges - \$722 million Local Agency Bridges - \$127 million Total - \$849 million

The construction of a new highway bridge on a new alignment is an eligible project under the BFP, but FHWA encourages States to first focus their BFP funding on projects that improve the condition of in-service highway bridges classified in poor condition and that preserve or improve the condition of in-service highway bridges classified in fair condition.

Several weeks ago, FHWA also announced the apportionments for the Federal Aid Highway Program under the IIJA Act for fiscal year 2022. Nationwide, \$52.4 billion was announced for the coming year, California's share is \$4.9 billion.

Some of the bigger pieces of California's share break down as follows:

National Highway Performance Program - \$2.5 billion Surface Transportation Block Grant Program - \$1.2 billion Highway Safety Program - \$262 million Congestion Mitigation and Air Quality Program - \$506 million It should be noted that the recent guidance document entitled "Policy on Using Bipartisan Infrastructure Law Resources to Build a Better America" that FHWA distributed to states, does not align with congressional intent on several topics. For example, while the bipartisan IIJA listed efforts to further streamline the environmental review process, FHWA's guidance may create new hurdles in the process by removing certain project types that would be otherwise eligible for a categorical exclusion from needing environmental review.

There are also concerns with the expansion of the Buy America requirements to include certain construction materials for federally funded projects; the previous law only included manufactured products like iron and steel. We believe that FHWA needs to allow for an extended transition period and thoroughly seek input from stakeholders prior to implementation.

There are also concerns with the aforementioned guidance document, distributed to states by FHWA, that doesn't align with congressional intent of the IIJA as it relates to construction of new highway capacity. The decision to remove existing eligibilities, like new capacity for single occupancy vehicles, from programs should be left to Congress – not FHWA. As Congress provided what projects are eligible under various programs in this law, FHWA should follow congressional intent and refrain from reviving policy ideas that Congress considered and ultimately rejected.

The U.S. Department of Transportation's Federal Aviation Administration (FAA) also announced that it will award \$2.89 billion made available by the Bipartisan Infrastructure Law to 3,075 airports around the nation. The money can be invested in runways, taxiways, safety, and sustainability projects, as well as terminal, airport-transit connections, and roadway projects.

Airports can submit proposals to the FAA for review in the coming weeks. The FAA encourages applicants to prioritize projects that increase airport safety, equity and sustainability. The agency also plans to conduct outreach to the minority business community about these opportunities at airports across the nation.

Also last week, the U.S. Army Corps of Engineers released its **Civil Works** studies, projects, and programs that will be implemented by the recently enacted IIJA and a separate disaster supplemental. Taken together, these two laws have provided the Army Corps with \$22.81 billion in supplemental funding. According to the White House, more than \$14 billion of this funding will be allocated for FY 2022 for over 500 projects across 52 states and territories.

More on the IIJA will follow in the coming weeks and months and AGC will continue to keep you informed.

NEW DATE: MARCH 8



2022 AGC Installation Dinner and Member Awards - March 8

DATE: Tuesday, March 8, 2022 - NEW DATE LOCATION: Marriott Marquis - San Diego Marina EVENT SCHEDULE: Registration: 5:00 PM /

Dinner: 7:00 PM **ATTIRE:** Business

COST: \$112 per person

Please Note: Open Seating unless reserved tables for 8 or 10.

REGISTER

SPONSOR:





AGC Members Mixer - March 17

The **AGC Affiliate Council** is pleased announce the first **Members Mixer** of 2022. Join us **Thursday, March 17** at Tom Ham's Lighthouse on Harbor Island from 4:30 p.m. to 6:30 p.m.

All member types are welcome to sponsor an exhibitor table at the event. Yes, General Contractors, you can set up a table and reach out to subcontractors. Subcontractors and Affiliates, you can set up to promote and market your companies.

Join our Sponsors in supporting this event to ensure all **AGC members** are invited to attend at no charge.

Platinum Sponsor

Finch, Thornton & Baird, LLP

Gold Sponsor

Hoop5 Networks

We encourage our member firms to stay connected, and invite their PM's, PE's, estimating staff, scheduling staff, etc., and anyone else in their firm that would benefit from socializing with others in the industry.

This is a member-only function and pre-registration is required!

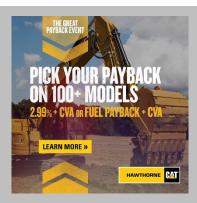
PRE-REGISTER TODAY!

The Mixer event will have an EXPO type atmosphere with sponsors receiving a table to display promotional materials, etc.

- You can display product samples, promotional materials, etc.
- Your company name will be prominently displayed on a banner in the room
- Platinum level sponsors will be given choice placement by the entrance and bar areas.
- A running slide show will display AGC event photos and sponsor logos and ads depending on their level of sponsorship:
- SILVER SPONSOR's logos will be displayed on the screen with other Silver Sponsors (6 companies per screen)
- **GOLD SPONSORS** will share 'screen time" with a 2nd Gold Sponsor (2 companies per screen)
- PLATINUM SPONSORS receive "full screen" ads

SPONSOR FORM





The J.R. Filanc Construction Engineering and Management (CEM) Program at San Diego State University has added a Construction Management Major to the Program

By Melinda Sevilla, Communications Lead, SDSU College of Engineering



The new major makes SDSU one of only a few universities in the nation to have both Construction Engineering and Construction Management majors. This initiative was spearheaded by the generous support and leadership of Filanc Construction Co. With several members of the Filanc family being alumni of the CSU system, and the company previously benefitting from hiring high-quality SDSU Engineering graduates in the

past, it was a priority to invest back into SDSU.

The Filanc family worked with SDSU in the mid-2000s to provide philanthropic support to establish the program. Since then, the program has **graduated** almost **400 construction engineers**, with many of whom staying in the greater San Diego area to work.

It has long been SDSU's goal to expand the program with the Construction Management major. "Establishing the Construction Management major is something that has been an industry priority for several years. Getting the curriculum developed and the major reviewed and approved in multiple levels at SDSU and, ultimately, by the CSU is a complex process. We're thrilled to have it established," said **Dr. Thais Alves**, AGC - Paul S. Roel Chair in Construction Engineering and Management and Director of the J.R. Filanc CEM program.

The Construction Management program's inaugural classes were held in Fall 2021. Aside from advancing the local workforce for construction, many of the students in the J.R. Filanc CEM Program are first-generation college students. A high number of students are also underrepresented minorities. Tenured faculty are research active, bringing the latest trends to the classroom and also advancing the construction industry.

With a heavy emphasis on industry connections, Alves says that CEM students are taught practical skills that make the major attractive to students. The graduates of the program are attractive to industry as they can step in and start contributing. "We have had a huge influx of students transferring majors just by word of mouth - they want to learn these skills of building and managing projects."

Under the direction of **Dr. Janusz Supernak**, Chair of the Civil, Construction and Environmental Engineering Department at SDSU, industry leaders, the Filanc family and SDSU leadership started formulating a construction engineering and management program in the early 2000s. "We worked closely with the Filanc family, several construction company leaders and AGC to design the program," said Supernak. In the 2000s, the Filanc family made a significant gift to create an endowment to support the program. The program continues to expand every year and the endowment provides support in perpetuity.

The J.R. Filanc CEM success stories are endless: **Dusan Selezan** '18, a Civil Engineering bachelor's graduate and a Civil Engineering master's graduate with an emphasis in Construction, discovered the program after taking a course with Dr. Thais Alves: "We were able to work with construction companies on measuring productivity and checking safety as well as overall construction sites. That's when I really got into the CEM field, rather than pursuing a design career as a civil engineer." Now serving as **VDC Manager at Balfour Beatty**, Selezan now comes back to campus to guest lecture, mentor students, and organize events to support the Program, he also works closely with the AGC San Diego.

Along with adding the new major, a campaign to establish an endowed chair is in process. The AGC Chair in Construction Management is being established to attract and retain high-

level CEM faculty. To date, industry has provided gifts totaling almost \$2M toward the \$2.5M goal for the endowed chair campaign. **Jim Ryan**, long time AGC San Diego Executive has been **leading the efforts** to secure funding for the chair.

Mark Filanc, who currently serves as an advisory board member for the College of Engineering and is a lecturer for CIVE 495 - Capstone Design shares, "The AGC Chair incentive is to be able to hire the best and brightest faculty at San Diego State."

The AGC Chair is currently supported by: AGC San Diego, TC Construction, Bergelectric, Harper Construction, McCarthy Building Companies, Marathon Construction, Swinerton, Hazard Construction, Casper Company, EC Constructors, Balfour Beatty, and Cass Arrieta.

This last week, the CEM Program Advisory Board held their inaugural meeting, consisting of discussing their mission, direction of program, accreditation, and other future initiatives. The Advisory Board looks forward to future advancements in Spring 2022 and beyond.

WELCOME NEW MEMBERS

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

- BEI Civil Works, Inc. Specialty Member
- Black Star Paving Contractor Member
- PRAVA Construction Services, Inc. General Contractor Member
- Southwest Hydro, Inc. Affiliate Member

AGC's Motto:

"It's Good Business to do Business with an AGC Member."



6 Months Look Ahead...

February 9-13 - WINTER CONFERENCE @ Park City

March 8, 2022 - AGC INSTALLATION DINNER /MEMBER AWARDS- Marriott Marquis Marina

March 17 - AFFILIATE MIXER @ Tom Ham's Lighthouse

March 28-31 - NATIONAL CONVENTION @ Grapevine, Texas

May 5-7 - SPRING CONFERENCE - @ La Quinta Resort, La Quinta

June 3 (date to be confirmed) - AGC/EGCC SPRING GOLF @ Maderas Golf Course

June 21 - BASEBALL BASH @ Petco Park

July 11-15 - AGC BLOOD DRIVE

July 22 - DAY AT THE RACES @ Del Mar Racetrack





EDUCATION & TRAINING CLASSES

JANUARY CLASSES

- Jan. 26 USACE CQM C Training CLASS CLOSED
- Jan. 26 Construction Scheduling Online
- Jan. 26 CPR First Aid @ Ferris Square
- Jan. 27 Project Management Boot Camp Online
- Jan. 31 Fall Protection 24 Hour CPT @ Ferris Square Only 1 Seat open
- Jan. 31 Qualified Rigger and Signal Person Training @ Ferris Square

FEBRUARY CLASSES

- Feb 1 Stormwater Project Risk Level Determination Online
- Feb 1-2 OSHA 10-Hour for Construction Day 1 Lakeside
- Feb 2 Planning for Retirement 101 Lakeside
- Feb 2 Soft Skills Professional Development: Articulating Your Value Lakeside
- Feb 2 Qualified Rigger and Signal Person Training Lakeside
- Feb 3 Bluebeam Basics Lakeside
- Feb 3 Estimating Basics Lakeside
- Feb 3 Confined Space Ferris Square
- Feb 7-11 EM 385-1-1 40 Hour Day 1 Lakeside
- Feb 7-9 Fall Protection 24 Hour CPT Day 1 Ferris Square Only 5 Seats Open
- Feb 8 Quickbooks Beginners Offsite
- Feb 9 Excel Beginners Offsite
- Feb 9 Construction Contract Administration Lakeside
- Feb 9 USACE CQM C Training Online
- Feb 12 Quickbooks Beginners Offsite
- Feb 14-17- BIM Lakeside
- Feb 14 Fall Protection CP Refresher Ferris Square
- Feb 15 Quickbooks Intermediate / Advanced Offsite
- Feb 15 Construction Project Management Certificate Program Session 1 Lakeside
- Feb 15 AGC Prevailing Wage Specialist Certificate Program Session 1 Lakeside
- Feb 15 Soft Skills Professional Development: Building Your Social Capital for Success Lakeside
- Feb 15-17- NAVFAC Confined Space 24 Hour CPT Ferris Square
- Feb 16 Excel Intermediate Offsite
- Feb 16 Sexual Harassment Prevention for Managers Online
- Feb 16 Sexual Harassment Prevention for Employees Online
- Feb 16 Supported Scaffold 16-Hour CPT Ferris Square
- Feb 22 Prevailing Wage Specialist Certificate Program Session 2 Lakeside
- Feb 22 OSHA Recording (OSHA 300) Lakeside
- Feb 23 Excel Advanced Offsite -
- Feb 23 USACE CQM C Training Online
- Feb 23 CPR/ First Aid Ferris Square

For more information on classes, contact: Becca Schaffer, 619-592-4533



Training Calendar & Class Registration

ONLINE PLAN ROOM





COMMITTEE/COUNCIL MEETINGS

Committee Meeting Calendar

Get Involved - Join a Committee

JANUARY MEETINGS

Wednesday, January 26 - 11:45 AM - **Airport** - Virtual/GoToMeeting Monday, January 31, 2022 - 1:00 PM - **NAVFAC** - Virtual/GoToMeeting

FEBRUARY MEETINGS

Wednesday, February 2, 2022 - 11:30 AM - **Affiliate Members Council** @ Lakeside Wednesday, February 2, 2022 - 7:00 AM - **Safety Committee** - Virtual Tuesday, February 15, 2022 - 4:00 PM - **Construction Leadership Council (CLC)** @ Swinerton Thursday, February 17, 2022 - NOON - **Meetings & Events** @ Lakeside

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The Associated General Contractors, San Diego Chapter, Inc. 10140 Riverford Road, Lakeside, Lakeside, CA 92040

January 31, 2022

The VOICE of Construction



County Water Authority Knuckled Under to Union PLA Demands By Eddie Sprecco, CEO

Last Thursday, the San Diego County Water Authority (CWA) voted to lower their threshold for Project Labor Agreements on future Capital Improvement Projects from \$100 million to \$1 million at the behest of the Building Trades Unions and the elected officials they support.

While there has been a rash of PLA expansions around town, this episode was particularly surprising for several reasons:

- 1. There was zero media coverage.
- 2. No taxpayers' association or ratepayers' advocates attended to defend against the inherent cost increases of severely limited competition.
- 3. The CWA board has several politically conservative members who should be ideologically opposed to PLAs.

Most boards flip on the PLA issue when the Building Trades Council goes out and win elections to gain a majority that will vote into law a union monopoly – an old school "pay to play" racket. Of late, many democrats have arrived at the conclusion that PLAs come with a lot of expensive baggage and don't live up to their promises – PLA efforts at the City and SANDAG faced bipartisan opposition.

Thursday's vote cut against this trend and was more reminiscent of the Airport Authority vote to adopt a PLA; an unwilling staff and board mainly cited threats from the state of California as reasons to support a policy they rightly understood to be backwards and corrupt. At the Airport Authority board members on the fence demanded promises to protect workers benefits under a PLA so that dollars follow the worker – these promises were made but not kept. At the Water Authority, hold out board members asked for a higher dollar threshold to not exclude local contractors and workers on smaller projects, but still stay in compliance with future, hypothetical, speculative, theoretical state mandates of PLAs. This request was shot down and the \$1 million threshold was approved. Worth noting, one CWA Director asked staff if there had been any work stoppages since the last

PLA "expired" and the answer was **no**. So, by their own admission, one of the major tenets of a PLA – no work stoppages – is not even an issue.

It's been a successful tactic of the Building Trades to jam through as many PLAs as possible during the COVID pandemic – while board members can hide behind their Zoom meetings, and the press and voters are pre-occupied with concerns about vaccine mandates, inflation and jobs. However, the impacts will inevitably be felt by contractors, workers, and ratepayers represented by the Water Authority Board members who voted for the PLA on Thursday (Please note the City of San Diego has ten appointments, many of whom are appointed by the Mayor and not public officials. Eight of the ten voted in favor of a PLA with Councilman Chris Cate and Director Val Macedo Jr. absent. Nick Serrano works for Mayor Gloria, so his contact information is below):

Name, District, Email Address

Mel Katz, City of Del Mar, (not a public official)

Consuelo Martinez, City of Escondido, cmartinez@escondido.org

Jack Bebee, Fallbrook Public Utilities District, jackb@fpud.com

Frank Hilliker, Lakeside Water District, form@lakesidewater.org

Mona Rios, City of National City, monarios@nationalcityca.gov

Brian Boyle, City of Oceanside, (not a public official)

Kim Thorner, Olivenhain Municipal Water District, Contact Form | Olivenhain

Gary Croucher, Otay Water District, gcroucher@otaywater.gov

Tim Smith, Otay Water District, tsmith@otaywater.gov

Tom Kennedy, Rainbow Municipal Water District, tkennedy@rainbowmwd.com

Nick Serrano, City of San Diego, NSSerrano@sandiego.gov

Joe Mosca, San Dieguito Water District, jmosca@encinitasca.gov

Jose Preciado, South Bay Irrigation District, <u>Form Center • Sweetwater Authority, CA • CivicEngage</u>

Craig Elitharp, Vallecitos Water District, celitharp@cox.net

Gary Arant, Valley Center Water District, vcwater@vcmwd.org

Amy Reeh, Yuima Water District, yuima@yuimamwd.com

If you are in their jurisdiction, please feel free to drop a line and let them know how their PLA vote will impact you. For a full list of the Board of Directors click here.

2022 Construction Outlook Survey Results Are In!

By Mike McManus, Director of Engineering Construction & Industry Relations

AGC America recently released their 2022 Construction Outlook Survey results. Over 1,000 firms from across the country responded, and the results are encouraging.

Contractors are feeling good about the available dollar value of projects to bid on in 2022. The net reading—the percentage of respondents who expect the available dollar value of projects to expand compared to the percentage that expects it to shrink—is positive for 15 of the 17 categories of construction included in the survey. This represents a stark turnaround from the 2021 survey, in which contractors were bearish about the prospects for all but a few segments.

Respondents are most optimistic about highway and bridge construction: 63% expect there will be a larger dollar value of projects to compete for, compared to 5% who expect a lower volume, for a net positive reading of 57% (The remainder expects volume to remain about the same as in 2021.)

Contractors are also strongly upbeat about the demand for transportation projects such as transit, rail, and airports, with a net reading of 51%, as well as water and sewer projects, which have a net of 50%. Both of these categories, along with bridge/highway projects, are expected to receive major funding boosts in 2022 and beyond from the Infrastructure Investment and Jobs Act that became law in November. Two other segments that are likely to benefit from the new infrastructure law are federal construction projects, which received a net positive reading of 37% and power construction, with a net of 29%

The highest expectations among predominantly private-sector categories, with a net of 41% each, are for warehouses and other healthcare, which includes clinics, testing facilities, and medical labs. Both of these segments also received net readings that were positive—albeit much less so—in the 2021 survey. And the outlook for hospitals, with a net reading of 38% is nearly as favorable as for other healthcare.

Contractors on balance were optimistic, as well, about multifamily residential construction, with a net reading of 32%, and manufacturing construction, which scored a net positive of 27%. Expectations were more subdued but still positive for four other categories: public buildings, with a net reading of 20%; kindergarten through 12th grade schools, 19%; higher education facilities, 16%; and lodging, 6%.

Only two categories received negative net readings, both of -8%: retail and private office construction. Both of these segments, along with lodging, received the lowest ratings in the 2021 survey, as well.

Nearly three-fourths (74%) of the respondents expect their firm's headcount will increase in 2022, compared to just 9% who expect a decrease. While just under half (47%) of firms expect to increase their headcount by 10% or less, more than one-quarter anticipate larger increases. 22% of respondents say their headcount will grow by 11-25%, and 5% of respondents anticipate an increase in headcount of more than 25%.

However, respondents expect difficulty adding workers. An overwhelming 83% report they are having a hard time filling some or all salaried or hourly craft positions, compared to only 8% who say they are having no difficulty. (The remaining 9% have no openings.) In addition, three-fourths of respondents say either it will continue to be hard to hire (49%) or it will become harder (26%). Only a relative handful says it will become easier to hire (6%) or will continue to be easy (1%), while 19% expect no change.

Strikingly, these expectations differ little between union and open-shop firms. Unlike last year, when open-shop contractors were much more optimistic than union contractors, both types of firms overwhelmingly expect to add workers in 2022. 71% of union employers and 74% of open-shop firms expect to increase their headcount this year, and both types of firms report difficulty filling positions: only 11% of open-shop respondents and 5% of union respondents report no difficulty filling any salaried or hourly craft positions.

A majority of firms took steps in 2021 to attract and retain workers. 62% increased base pay rates more than in 2020, compared to 23% that provided similar or smaller increases. Additionally, one-third (33% of firms provided incentives or bonuses, and about one-fifth (21%) of the firms increased their portion of benefit contributions and/or improved employee benefits. Only 12% of firms provided no increases in pay, incentives, or benefits in 2021.

NEW DATE: MARCH 8



2022 AGC Installation Dinner and Member Awards - March 8

DATE: Tuesday, March 8, 2022 - NEW DATE LOCATION: Marriott Marquis - San Diego Marina EVENT SCHEDULE: Registration: 5:00 PM /

Dinner: 7:00 PM **ATTIRE:** Business

COST: \$112 per person

Please Note: Open Seating unless reserved tables for 8 or 10.



SPONSOR:





AGC Members Mixer March 17 @ Tom Ham's Lighthouse Harbor Island

The AGC Affiliate Council is looking for support from our membership to

help host the first **Members Mixer** of 2022.

All member types are welcome to sponsor an exhibitor table at the event. Yes, General Contractors, you can set up a table and reach out to subcontractors. Subcontractors and Affiliates, you can set up to promote and market your companies.

Join our Sponsors in supporting this event to ensure all **AGC members** are invited to attend at no charge.

Platinum Sponsor

Finch, Thornton & Baird, LLP

Flatiron

Gold Sponsor Hoop5 Networks

Kelar Pacific

We encourage our member firms to stay connected, and invite their PM's, PE's, estimating staff, scheduling staff, etc., and anyone else in their firm that would benefit from socializing with others in the industry.

This is a member-only function and pre-registration is required!

PRE-REGISTER TODAY!

The Mixer event will have an EXPO type atmosphere with sponsors receiving a table to display promotional materials, etc.

- You can display product samples, promotional materials, etc.
- Your company name will be prominently displayed on a banner in the room
- Platinum level sponsors will be given choice placement by the entrance and bar areas.
- A running slide show will display AGC event photos and sponsor logos and ads depending on their level of sponsorship:
- **SILVER SPONSOR'**s logos will be displayed on the screen with other Silver Sponsors (6 companies per screen)
- **GOLD SPONSORS** will share 'screen time" with a 2nd Gold Sponsor (2 companies per screen)
- PLATINUM SPONSORS receive "full screen" ads

SPONSOR FORM







Construction Leadership Council Provides Growth For Future Industry Leaders

Are you an early to mid-career professional in the construction industry? Looking for a forum to learn, gain exposure to other construction professionals, and help develop future members of the industry?

AGC San Diego has the committee for you... the Construction Leadership Council! Also known as CLC, the members build connections with construction professionals, creating opportunities to enhance their industry knowledge through relevant programs. The CLC is part of a nationwide AGC organization facilitating an open forum for future leaders.

This year, the CLC will be hosting meetings throughout the County at AGC Member offices, our first meeting is **February 15, 2022**, at the **Swinerton** office in Rancho Bernardo.

CLC encourages a higher level of involvement in the industry among early to mid-career professionals, and meetings foster face-to-face collaboration and address important industry issues. The group organizes and hosts the Annual Mixer & Car Show, bringing together construction professionals, industry partners, and public officials.

CLC members play a substantial role in developing college students enrolled in SDSU's Construction Engineering & Management Program by preparing them for the Annual Associated Schools of Construction "Reno Competition."

Why Join?

- Build Relationships
- Involvement in AGC
- Industry Updates
- Job Walks
- Professional Development
- Networking
- Support SDSU Students and
- Meet & Learn from Industry Leaders

Interested in joining the CLC?

The members would like to invite AGC Members interested in joining the CLC to our first meeting of the year February 15, at **4pm**. Please email CLC AGC Staff Liaison Kellie Korhonen at kellie@agcsd.org for more information by Feb 8.



March 8 - AGC INSTALLATION DINNER / MEMBER AWARDS - Marriott Marquis Marina

March 17 - AFFILIATE MIXER @ Tom Ham's Lighthouse

March 28-31 - NATIONAL CONVENTION @ Grapevine, Texas

May 5-7 - SPRING CONFERENCE - @ La Quinta Resort, La Quinta

June 3 (date to be confirmed) - AGC/EGCC SPRING GOLF @ Maderas Golf Course

June 21 - BASEBALL BASH @ Petco Park

July 11-15 - AGC BLOOD DRIVE

July 22 - DAY AT THE RACES @ Del Mar Racetrack





EDUCATION & TRAINING CLASSES

FEBRUARY CLASSES

- Feb 1 Stormwater Project Risk Level Determination Online
- Feb 3 Bluebeam Basics Lakeside
- Feb 3 Estimating Basics Online
- Feb. 4 Silica CPT Lakeside
- Feb 7-11 EM 385-1-1 40 Hour Day 1 Lakeside
- Feb 7-9 Fall Protection 24 Hour CPT Day 1 Ferris Square Only 5 Seats Open
- Feb 8 Quickbooks Beginners Offsite
- Feb 9 Excel Beginners Offsite
- Feb 9 Construction Contract Administration Lakeside
- Feb 9 USACE CQM C Training Online
- Feb 12 Quickbooks Beginners Offsite
- Feb 14-17- BIM Lakeside
- Feb 14 Fall Protection CP Refresher Ferris Square
- Feb 15 Quickbooks Intermediate / Advanced Offsite
- Feb 15 Construction Project Management Certificate Program Session 1 Lakeside
- Feb 15 AGC Prevailing Wage Specialist Certificate Program Session 1 Lakeside
- Feb 15 Soft Skills Professional Development: Building Your Social Capital for Success Online
- Feb 15-17- NAVFAC Confined Space 24 Hour CPT Ferris Square
- Feb 16 Excel Intermediate Offsite
- Feb 16 Sexual Harassment Prevention for Managers Online
- Feb 16 Sexual Harassment Prevention for Employees Online
- Feb 16 Supported Scaffold 16-Hour CPT Ferris Square
- Feb 16 High Level Financial Planning or Business Owners/Executives Lakeside
- Feb 22 Prevailing Wage Specialist Certificate Program Session 2 Lakeside
- Feb 22 OSHA Recording (OSHA 300) Lakeside
- Feb 23 Excel Advanced Offsite -
- Feb 23 USACE CQM C Training Online
- Feb 23 CPR/ First Aid Ferris Square

For more information on classes, contact: Becca Schaffer, 619-592-4533



Training Calendar & Class Registration

ONLINE PLAN ROOM





COMMITTEE/COUNCIL MEETINGS

Committee Meeting Calendar

Get Involved - Join a Committee

FEBRUARY MEETINGS

Wednesday, February 2 - 11:30 AM - Affiliate Members Council @ Lakeside

Wednesday, February 2 - 7:00 AM - Safety Committee - Virtual

Tuesday, February 15 - 4:00 PM - Construction Leadership Council (CLC) @ Swinerton

Thursday, February 17 - NOON - Meetings & Events @ Lakeside

MARCH MEETINGS

Tuesday, March 1 - 11:30 AM - **Specialty Council** @ Lakeside

Wednesday, March 2 - 7:00 AM - Safety Committee @ Lakeside

Wednesday, March 16 - 8:00 AM - Build & Serve @ Lakeside/Virtual

Wednesday, March 16 - 11:30 AM - H.R. Practices Committee @ Lakeside

Friday, March 25 - 11:00 AM - **Technology Committee** - @ Lakeside/Virtual

AGC LOCATIONS



AGC East County Facility & Apprenticeship Training Center 10140 Riverford Road Lakeside, CA 92040

(858) 558-7444 DIRECTIONS



AGC Government Affairs Office & Fall Protection Training Campus

6212 Ferris Square 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 <u>Eddie Sprecco</u> or <u>Dustin Steiner</u> 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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