July 1, 2019
* AGC San Diego will be closed on Thursday, July 4 in observance of Independence Day. July 4 is a recognized 2019 holiday on San Diego prevailing wage projects.

INDUSTRY NEWS

Editor's Note: Reprinted from notice sent on June 26, 2019

AGC Lawsuit Against the City of San Diego Regarding Pure Water Project - Judge Rules in Favor of AGC Position to Respect Will of Voters and Allow Both Union and Non-Union Apprentices to Work

Last Monday, June 24, the Superior Court of California granted an injunction against the City of San Diego, preventing them from bidding the Pure Water Project with specifications that include discriminatory union-only provisions. This is an important victory for AGC and the voters of San Diego, who supported Fair and Open Competition in City Contracts by passing Proposition A in 2012.

The injunction reads "Defendants/Respondents City of San Diego; City of San Diego Public Utilities Department, and Kevin L. Faulconer are enjoined and restrained from requiring that bidding contractors for the North City Pure Water Facility project use apprentices registered in Joint Labor Management Apprentice Programs. They are further enjoined and restrained from closing or completing the bidding process for
the following new members to the Association:

- CAM Painting, Inc.
- Golden State Constructors
- N E P Painting Contractors
- Oak Hills Concrete
- The Haskell Company
- TR Mulligan, Inc.

AGC’s Motto:
It’s Good Business to do Business with an AGC Member.”

The judge's full order can be read [here].

AGC has a long-standing position opposing government-mandated Project Labor Agreements because they discriminate against non-union workers, restrict competition, bring in out of town contractors and workers, and undermine the union collective bargaining process. The AGC Board of Directors initiated this lawsuit, on behalf of its 1,100+ union and non-union members, for these reasons.

Two Apprenticeship Programs: AGC San Diego Apprenticeship Training Trust and Western Electrical Contractors Association (WECA) Training Trust joined the legal effort on behalf of the thousands of non-union apprentices that would have been shut out from working on this project should the city have been allowed to proceed with its discriminatory contract language.

Now that the Judge has clearly ruled in AGC's favor, the City has a simple choice to make; escalate the legal fight and put the Pure Water Program at risk or remove the discriminatory contract language to move forward with this important regional project.

If you have any questions, or are interested in supporting this effort, please contact Eddie Sprecco, CEO of AGC San Diego at mailto:esprecco@agcsd.org

Pure Water Lawsuit Background:

On May 23, 2019 the AGC Chapter and Apprenticeship Program filed a lawsuit against the City of San Diego over contract requirements added to the "Pure Water" program. The basis of the lawsuit is the City's violating its own Fair and Open Competition in Construction Ordinance by mandating all apprentices working on the projects to come from only "Joint Labor Management Programs" (union).

These requirements are not only a violation of the Ordinance, but of Substantive Due Process and Equal Protection under the California Constitution. The lawsuit seeks an injunction to stop Pure Water projects from bidding so that contractors, union and non-union, are not harmed by making public their bids and tying up their bonding capacity for a project that will be delayed and/or derailed by self-inflicted legal, financial, and logistical problems.

The step of filing this lawsuit against the City was not taken lightly. AGC represents roughly 1,100 members, including hundreds of contractors and suppliers who do work for the North City Pure Water Facility, or awarding a contract for the North City Pure Water Facility, based on a requirement that bidders use apprentices registered in Joint Labor Management Apprentice Programs.
City of San Diego. These businesses are large and small, diverse in their ownership, history and approach to success in the construction industry - including choosing to partner with union labor, or not. AGC supports each of these enterprises to compete on a level playing field to give taxpayers the best return on their infrastructure dollars.

Voters agree. In 2012, City of San Diego voters passed Proposition A, imposing a prohibition against discriminatory union-only provisions in City contracts. With good reason - PLAs cost quite a bit of money. University studies and recent history in San Diego PLAs show a 15-20% premium in construction cost, due to lack of competition and out of town contractors.

At the end of 2018, the critically important Pure Water Program was being approved by the City Council of San Diego. This multi-billion-dollar project is on a tight budget and even tighter timetable for the City, having violated multiple federal deadlines to clean up its discharge of sewage into the Pacific Ocean.

AGC San Diego, on multiple occasions, alerted the City of San Diego of the significant risks to the project introduced by violating its own Ordinance. AGC has met with City officials seeking ways to resolve these problems without delay of the important Pure Water project. Unfortunately, upcoming Pure Water bid dates, the only recourse to prevent injury to apprentices and contractors, is through the Courts.

**Changing of the Guard at Caltrans**

Mike McManus Director of Engineering Construction & Industry Relations

The baby boomer generation is now about halfway into reaching the official retirement age of 65. This generation, which is about 30% of the population, has had a profound impact on American society starting when the wave hit the schools in the 1950's, causing double shifting of classes at first, then an era of massive school construction to accommodate the numbers. Now this generation has started the "silver tsunami," which is in full swing and is being felt across many industries, as well as in government. The wave won't be completely phased out of the workforce for another decade. The next impact of this generation is already being felt in public pensions and the multi-employer pension plans common with the construction unions.

So it is not surprising that the leadership at Caltrans is continuing to change as the baby boomer generation continues to move into retirement. It is, also, not surprising that the new incoming Governor's Administration is slowly
filling out its ranks of political appointments. One little recognized issue is that at most public agencies, including Caltrans, much of the leadership at the working level in the technical ranks, is also retiring or moving on to other work in this booming economy. This fact has left a vacuum at many public agencies which is being slowly filled by new hires. The fallout from this transition has been slowly creeping into the construction industry. Everything from errors in project plans, to delayed project schedules, to new resident engineers who lack the experience to work effectively with contractors is all having an effect. But that will all change over time.

Here are a few of the immediate changes in transportation in California:

**The New Secretary of Transportation**

Governor Newsom has appointed a new Cabinet level Secretary of Transportation, David Kim of Virginia. Kim was a member of the Obama Administration at the Federal Highway Administration in a policy role. Prior to that, he worked for the MTA in Los Angeles and was a Washington lobbyist during the recall shortened Gray Davis Administration. Kim has not been sworn in at this point, and there is no announced timetable for that to happen. The Secretary of Transportation oversees, Caltrans, DMV, and the Highway Patrol among other important state agencies, so more to come on this situation.

**The New Caltrans Director**

Laurie Berman's last working day at Caltrans was this past Friday. She retires after a 36- year career where she started out working as a bridge inspector in the Office of Structures Construction, and included a stint overseeing the private toll-road development here in San Diego on State Route 125 in South Bay. No permanent replacement has been named. However, Friday evening, an Acting Director was named by the Governor's deputy appointments secretary. He is Bob Franzoia, a senior policy advisor at the Transportation Agency since 2017. He was Governor Brown's deputy appointment secretary from 2015-2017. Prior to that, he worked in the California Legislature in various committee assignments from 1990 to 2015. Bob will serve as the Acting Caltrans Director until the next Director is appointed. Again, no timetable for when that will occur. There is more to come, stay tuned.

**District 11 Construction**

It was announced on Friday at the AGC/Caltrans Liaison Committee that there will be a major shakeup in the District 11 management team. Some of the District's division chiefs are being rotated to new assignments. Two announcements were made that will directly affect contractors who do
business with Caltrans. First, Amer Bata, the Deputy District Director Construction will be returning to San Diego in August. Amer has been on two long-term assignments; one in Sacramento and the other in District 4 in the Bay Area. Secondly, the second in command in District 11 Construction, Ron Caraet, is being rotated out of Construction and into Engineering Services. His replacement will be Everett Townsend, who has most recently been the Maintenance Division Chief.

**State Pavement Engineer**

Since the last five years have been a period of change and controversy between industry and Caltrans in the pavement and materials arena, the State Pavement Engineer has become very important to AGC San Diego members. The position was vacant for a time but has been recently filled by Sergio Aceves who is from the Sacramento region. AGC San Diego has recently reached out to Sergio, and we are developing a relationship to help Caltrans partner effectively with industry on pavement issues. In our most recent meeting with him we covered:

- Eliminating or modifying the Minimum Optimum Binder Content for Rubber HMA
- Constructability and design issues with Continuously Reinforced Concrete Pavement
- Concrete Pavement Rehab Strategy issues
- Sustainability of Caltrans designs including reuse of materials removed on projects

We will be keeping you posted on the changing of the guard at Caltrans as it continues to unfold. We are expecting more announcements. To see the latest District 11 management organization chart, click here.

**Enter your Classic Car or Truck by July 10 for the 7th Annual AGC Summer Mixer & Car Show!**

AGC Members Register today for this **FREE** event!

AGC Members and friends are welcome to entry a classic car or truck in the Car Show and be in the running for one of three awards: **Best in Show, Best Mod-Rod, or Best Classic**. This event is hosted by AGC San Diego's Construction Leadership Council (CLC) and is **free to members**!

This summer networking event features delicious food truck fare from Mastiff Sausage Company, Dang Brother Pizza and new this year, street tacos from Tacos El Gabacho.
2019 EVENTS

JULY
Jul. 08-13 | AGC Blood Drive
Jul. 19 | Day at the Races
Jul. 30 | CLC Car Show

AUG.
Aug. 05 | Affiliate Golf
Aug. 30 | DEADLINE TODAY - BUILD SAN DIEGO ENTRIES

CALL FOR ENTRIES
Aug. 31 | SDSU Aztec Tailgate/ Sky Show

Enjoy local microbrews selected by the CLC members and refreshing margaritas while checking out the classic cars and hot-rods on display. The event starts at 4:30 p.m. and goes to 7:00 p.m. at the AGC San Diego Training Facility.

Thank you to our current event sponsors! Sponsorship opportunities still available!

SAFETY FIRST

Sponsorship

SUMMER EVENTS

JULY 19, 2019
AGC Day at the Races - ONLY 6 TICKETS LEFT!

JULY 30, 2019

7th Annual AGC CLC Summer Mixer & Car Show

Interested in advertising in AGC’s “Good Faith Report”? Contact:
Lisa Lovelace
Director of Plan Room Services

ADVERTISING IN
GOOD FAITH REPORT

State Approved Trade & Focus Publication

More information click on “Good Faith Advertising” at:

AGC CONSTRUCTOR
2019 MEMBERSHIP LISTINGS

Online Form

Please notify AGC if your company has relocated, or if there are updates to your company's listing (i.e. contacts, phone/fax, job titles, CSI codes, & certified business listings).

Email Marcy Knopman

Directions

6212 Ferris Square
San Diego, CA 92121
(858) 558-7444

AUGUST 5, 2019
Affiliate Day Golf - Sycuan Golf Course

AUGUST 31, 2019
SDSU Aztec Tailgate/ Game and Sky Show

AGC CONSTRUCTION INDUSTRY-WIDE BLOOD DRIVE - July 8, 9, 10, 11, & 13
We know you have it in you to give!

HELP US REACH OUR GOAL = 600 PINTS!

JULY 8, 2019
SHERWOOD MECHANICAL - San Diego - 8 AM to 1:30 PM

JULY 9, 2019
DYNALECTRIC CO. - San Diego - 6 AM to 11:30 AM
ERICKSON-HALL CONSTRUCTION - Garden Grove - 7:30 AM to 1 PM (LifeStream)
OLDCASTLE INFRASTRUCTURE - Lakeside - 11 AM to 4:30 PM
SUNDT CONSTRUCTION, INC. - San Diego - 8 AM to 1:30 PM
JULY 10, 2019
ACME SAFETY & SUPPLY CORP. - National City - 9 AM to 2 PM
COUNTYWIDE MECHANICAL, INC. - El Cajon - 10 AM to 3:30 PM
ERICKSON-HALL CONSTRUCTION - Riverside - 7:30 AM to 2:30 PM (LifeStream)
HAWTHORNE CAT - San Diego - 9 AM to 2 PM
MACK PACKAGING - San Marcos - 8 AM to 1 PM
SOLTEK PACIFIC - San Diego - 8 AM to 1 PM

JULY 11, 2019
BALFOUR BEATTY CONSTRUCTION - San Diego - 10 AM to 3 PM
ERICKSON-HALL CONSTRUCTION CO. - Escondido - 7 AM to 5 PM
PEOPLEREADY SKILLED TRADES - San Diego - 10 AM to 4 PM
SWINERTON - San Diego - 9 AM to 2 PM
TC CONSTRUCTION COMPANY - Santee - 7 AM to 5PM

JULY 13, 2019
HENSEL PHELPS - San Diego - 11 AM to 4 PM
at Cutwater Spirits - 9750 Distribution Ave., San Diego, CA, 92121

CLASSES

July Classes

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<tr>
<th>Date</th>
<th>Class Description</th>
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<tr>
<td>Jul. 8</td>
<td>Beginning Microsoft Excel 2016 <em>(Offsite)</em></td>
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<tr>
<td>Jul. 8 -11</td>
<td>OSHA 30-Hour for Construction 4-Day Class <em>(Offsite)</em></td>
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<td>Jul. 9</td>
<td>Intermediate Microsoft Excel 2016 <em>(Offsite)</em></td>
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<td>Jul. 9</td>
<td>Stormwater Breakfast Forum</td>
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<td>Jul. 10</td>
<td>Advanced Microsoft Excel 2016 <em>(Offsite)</em></td>
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<td>CQM</td>
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<td>Construction Contract Administration</td>
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<td>Heat Illness Awareness Training</td>
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<td>Jul. 15 -19</td>
<td>Hazwoper 40 Hour</td>
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<td>Traffic Control Technician</td>
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<td>Jul. 24</td>
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<td>Jul. 24</td>
<td>Project Management Boot Camp</td>
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<td>Jul. 25</td>
<td>Preventing Sexual &amp; Other Unlawful Harassment</td>
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<td>Jul. 29</td>
<td>EM-385-1-1 8 Hour Refresher</td>
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<td>Fall Protection 24-Hour Competent Person Training</td>
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<td>Jul. 30</td>
<td>Primavera Workshop</td>
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<tr>
<td>Jul. 31</td>
<td>CPR, First Aid &amp; AED Training</td>
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For more information on classes, contact Becca Schaffer at (858) 731-8155.

July - Dec 2019

Register Online

COMMITTEE MEETINGS
Meetings are held at the AGC office (6212 Ferris Square, San Diego, CA 92121) unless otherwise noted in red.

July Meetings
Jul 10 7:00 a.m. Joint Safety Meeting with AGC Cal in Riverside
Jul 17 3:30 p.m. Build & Service Charitable Alliance @ Brewery
Jul 24 11:30 p.m. Human Resource Practices
Jul 25 1:00 p.m. City of San Diego Meeting

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 Executive Vice President, Brad Barnum.

Please contact Eddie Sprecco or Brad Barnum 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.

ARCHIVE
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