

# **JULY 2022**

July 5, 2022

July 11, 2022

July 18, 2022

July 25, 2022



# California Independent Trucking Heading for Extinction

By Mike McManus, Director of Engineering Construction & Industry Relations

On Thursday, June 30, the U.S. Supreme Court decided that it **will not** hear California Trucking Association's case against its state's controversial worker classification law, AB5. The decision to not hear the case means that a previous ruling from the U.S. Court of Appeals for the Ninth Circuit stands and that a preliminary injunction preventing AB5 from being enforced on motor carriers will end.

This is not good. On May 24, 2022, the U.S. Solicitor General filed a brief to the Supreme Court recommending that the court should deny a review of California Trucking Association's (CTA) case to receive an exemption of California's AB5 law that would drastically change the owner-operator model in the state. The trucking industry has been waiting for movement on this case since November and did not like what it heard.

What is California's AB5 independent contractor law? On Sept. 18, 2019, California Governor Gavin Newsom signed bill AB5 into law that will make it more difficult for companies to classify people who work for them as independent contractors with the new ABC test.

Under the ABC Test, a worker is presumed to be an employee unless the employer can show that all three of the following "prongs" or conditions are satisfied:

A. the worker is free from the control and direction of the hiring entity in connection with the performance of the work,

B. the worker performs work that is outside the usual course of the hiring entity's business, and

C. the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

The ABC is problematic for the trucking industry because of prong "B," or whether a worker performs an activity that is at the core of the business' mission. For example, a trucking company hiring a landscaper to take care of the grounds around a headquarters would not meet that test but hiring an independent owner-operator would.

This means AB5 would require carriers to hire the independent contractors and pay them health insurance and other employee benefits.

This could increase equipment and labor costs by as much as 150% or more, according to the California Trucking Association., which would cause carriers to reconfigure or eliminate some routes and potentially cease operating in the State altogether, leaving the remaining carriers to offer only diminished services, unless the trucking industry is exempt from AB5.

Where does the AB5 law stand today? In 2018, the Supreme Court of California adopted the new "ABC" test for classifying workers for purposes of California wage-and-hour laws. The AB5 law took effect in California in January 2020. However, a federal district court granted an injunction that exempted the trucking industry from the law while the appeal works its way through the Supreme Court.

The State of California appealed the injunction, and in April 2021, a panel of the U.S. Court of Appeals for the Ninth Circuit reversed the injunction. This means the law would go into effect for the trucking industry unless it is reversed again further up the court. As is the case in a legal process, CTA then appealed to the U.S. Supreme Court and the injunction was allowed to remain in place until the case played out. The industry has been waiting since last November for the Solicitor General to file a brief on whether the court should hear the case.

#### What is to come?

The California Trucking Association and State of California have 14 days to file supplemental briefs responding to the Solicitor General's brief. The petition will be considered at the Supreme Court's next conference, at least two weeks from now.

However, it is possible that the petition will not be considered before the Court recesses for the summer at the end of June, in which case the next currently scheduled conference is Oct. 6.

If the Supreme Court denies review, AB5 will be implemented in the state's trucking sector immediately.

If it chooses to review the case, there is no timeline on when the review would be completed. If it is considered, and the Supreme Court sides with the Solicitor General's brief, the independent contractor law would take effect immediately in the trucking sector.

AGC pushed for a two-year construction trucking exemption when AB5 was being considered in the legislature that was included in the original 2019 bill, but the exemption was set to sunset on January 1, 2022. Last year the exemption was extended to January 1, 2024.

Construction trucking is exempt for the next 18 months only under the following circumstances: The "ABC" test shall not apply to a subcontractor providing construction trucking services for which a contractor's license is not required if all the following are satisfied:

- The subcontractor is a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation.
- For work performed after January 1, 2020, the subcontractor is registered with the Department of Industrial Relations as a public works contractor, regardless of whether the subcontract involves public work.

- All construction trucking services must be performed by employees, unless the subcontractor is a sole proprietor who operates their own truck to perform the entire subcontract and holds a valid Motor Carrier Permit.
- The subcontractor negotiates and contracts with, and is compensated directly by, the licensed contractor.



# Affiliate Day Golf Tournament on August 5

Limited foursomes remaining for Affiliate Golf Tournament on Friday, August 5, 2022, held at the Singing Hill Golf Resort at Sycuan!

We are proud to acknowledge our returning Title Sponsors for this major event!





In addition, AGC's Diamond Sponsor, Finch, Thornton & Baird, LLP will be supporting the lunch station and the tee prize given to every golfer. The tee prize is always something special!

# FINCH THORNTON BAIRD

ATTORNEYS AT LAW

The Affiliate Day Golf committee is busy planning this popular event. This year the Shot Gun start will be 10:30 a.m., with an 8:00 a.m. registration.

**To ensure your spot, <u>Register Now!</u>** Don't wait until you get the names of your foursome to register, as it may be too late. We recommend you sign up now and provide the names of your players later!

This event is much anticipated and offers great marketing opportunities for AGC members. There are still sponsorships available. Get in on it while you can!

Click here for the sponsorship form.

Contact Rae Krushensky at <a href="mailto:raek@agcsd.org">raek@agcsd.org</a> with any questions. Exhibitors can contact AGC's Dustin Steiner at <a href="mailto:dsteiner@agcsd.org">dsteiner@agcsd.org</a> with questions.





# **AGC BLOOD DRIVE - July 12-15**



San Diego Blood Bank

LifeStream Blood Bank



#### BLOOD DRIVES @ AGC MEMBER LOCATIONS

#### LEARN MORE https://www.agcsd.org/agc-blood-drive.html

#### Tuesday, July 12

Acme Safety & Supply Corp.
- National City

C.W. Driver - Mission Valley

Dynalectric - El Cajon Erickson-Hall Construction

- Garden Grove

Hensel Phelps - La Jolla Sundt - Mission Valley

#### Thursday, July 14

Balfour Beatty - Sabre Springs Countywide Mechanical - El Cajon

Erickson-Hall Construction

PRAVA Construction Services

TC Construction Co. - Santee

#### Wednesday, July 13

Acme Safety & Supply Corp. - El Centro Erickson-Hall Construction - Riverside - via LifeStream

Hawthorne Cat - Rancho Bernardo Hazard Construction - Lakeside Swinerton - Rancho Bernardo

#### Friday, July 15

AGC San Diego - Lakeside
PCL Construction - Mira Mesa
Sherwood Mechanical - Sorrento Mesa
Sundt - Irvine

SCHEDULE AN APPOINTMENT www.mysdbb.org

# AGC's 12th Annual Construction Industry Blood Drive - July 12-15

Welcome **PRAVA Construction** as a new addition to the AGC Blood Drive!

The AGC Blood Drive is coming up in a few weeks, and we encourage everyone to schedule an appointment to donate at one of our AGC member locations most convenient for you.

<u>CLICK HERE</u> for AGC Blood Drive website page.

Post FLYER at your offices and SCHEDULE YOUR APPOINTMENT TODAY! The blood supply is critically low in the summer months, so the San Diego Blood Bank is asking for your help in replenishing that supply.

**1 PINT SAVES 3 LIVES** 



July 12-15 - AGC BLOOD DRIVE @ AGC Member Locations

July 29 - **DAY AT THE RACES** @ Del Mar Racetrack (SOLD OUT)

August 5 - AFFILIATE DAY GOLF @ Singing Hills



# **EDUCATION/SAFETY TRAINING**

#### **JULY CLASSES**

July 6-8 - Fall Protection 24-Hour CPT (limited seating available) - (Ferris Square)

July 11- Fall Protection 8-Hour CPT - (Ferris Square)

July 7- Microsoft Excel Beginner - offsite

July 12- July Stormwater Virtual Seminar: Sampling and Monitoring Changes

July 13 & 20 - Blueprint Reading for Construction (Lakeside)

July 13 & 14 - CQM-C Online Training

July 14 - Microsoft Excel Intermediate - offsite

July 18 -20 - Fall Protection 24-Hour CPT (limited seating available)

July 18 & 19 - OSHA 10 Hour for Construction (Ferris Square)

July 21- Microsoft Excel Advanced - offsite

July 21 - Foreman and Superintendent Bootcamp (Lakeside)

July 25 - Fall Protection Competent Person Refresher Training - (Ferris Square)

July 26 - ATSSA Traffic Control Technician and Flagger Training - (Ferris Square)

July 26 - Silica CPT (Lakeside)

July 27 & 28 - CQM-C Online Training

July 27- CPR First Aid Training (Lakeside)

July 28 - Construction Law: Construction Contracts 101 (Lakeside)

July 28 - Quickbooks for Beginners - offsite

#### **JULY - DEC EDUCATION CATALOG**



# **Training Calendar & Class Registration**

For more information on classes, contact: <u>Becca Schaffer</u>, 619-592-4533

#### ONLINE PLAN ROOM





# **COMMITTEE/COUNCIL MEETINGS**

**Committee Meeting Calendar** 

**Get Involved - Join a Committee** 

#### **JULY MEETINGS**

July 6 - 7:00 AM - Safety Committee - Lakeside

July 13 - 1:00 PM - County of San Diego - Virtual

July 15 - 11:00 AM - Technology Committee - Lakeside

July 20 - 8:00 AM - Build & Service Charitable Alliance - Lakeside

July 20 - 11:30 AM - Specialty Council - Lakeside

July 20 - 11:45 AM - Airport - Virtual

July 28 - 1:00 PM - City of San Diego - Virtual

# **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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# The Associated General Contractors, San Diego Chapter, Inc.

10140 Riverford Road, Lakeside, Lakeside, CA 92040



# Help Is On The Way!

By Dustin Steiner, Vice President Government & Industry Relations

In 1986, President Ronald Reagan quipped, "the nine most terrifying words in the English language are "I'm from the government and I'm here to help." Well, the recently passed State Budget may indeed include some help for small businesses struggling to keep up with the requirements of <u>SB 114</u>. SB 114 compels employers with more than 25 employees to provide up to two weeks (80 hours) of supplemental paid sick leave (SPSL) to recover from COVID-19 or care for a family member who is sick with the virus retroactive to January 1, 2022 and sunsetting on September 30, 2022. (AGC San Diego opposed this bill with a coalition of 16 other industry associations. You can read our letter by clicking here.)

SB 114 mirrors last year's SPSL bill, but without the federal aid. When signed into law, Assembly Budget Committee Chair Phil Ting (D-San Francisco) said he was concerned about the burden of paid sick leave on small business, and the lack of federal tax credits, and said he would consider further action as part of the budget process in June. While the Governor's May Revision did not include additional funding, it was added – to the tune of \$250 million - as part of the legislative process. The Budget also includes a \$17 billion inflation relief package, which will refund up to \$1,050 to California taxpayers based on income level and the size of household. This refund has supplanted the ill-fated gas tax holiday that was bantered around earlier this year.

Per our crack Sacramento lobbyist, Felipe Fuentes, the Administration plans on developing the guidelines for these grants over the summer. While they will be for small business and non-profit organizations, it is unknown how small 'small business' must be to be eligible.

Here is the fine print: The Budget includes \$250 million one-time General Fund for relief grants for small businesses and non-profits to offset costs of their employees who have utilized the state's supplemental COVID-19 paid sick leave. The Administration will work with the Legislature over the summer on statutory changes to implement this program. (Full Budget)

So, help is on the way! We think...



# The Supreme Court "Kneecaps" the EPA

By Mike McManus, Director of Engineering Construction & Industry Relations

The recent U.S. <u>Supreme Court's decision</u> to drastically limit the power of the federal Environmental Protection Agency (EPA) to regulate greenhouse gas emissions has predictably riled up the environmental justice warriors who are calling for

a reform of the Supreme Court, among other things. The *West Virginia v. EPA* decision marks a significant change in how the federal EPA can exercise power to address climate change, making it clear that without approval from Congress, the agency is limited in how it can set national standards to address air pollution.

The vote in the **West Virginia v. EPA decision** was 6-3, with the Court's three liberal members dissenting. In the majority opinion, Chief Justice John Roberts wrote that the EPA "must point to 'clear congressional authorization' for the power it claims." He added, "Capping carbon dioxide emissions at a level that will force a nationwide transition away from the use of coal to generate electricity may be a sensible 'solution to the crisis of the day, but it is not plausible that Congress gave EPA the authority to adopt on its own such a regulatory scheme."

Experts seem to agree that regulations that affect significant swaths of the economy that are not explicitly authorized by Congress with very specific and clear statutory language, are, after this ruling, especially vulnerable to be invalidated by the courts if challenged. This ruling has implications not just for the federal government's ability to make environmental regulations, but also for how much federal agencies can impose regulations at all.

But what does this mean for California and the construction industry? Not much in the short run. Experts seem to believe that the ruling doesn't necessarily pose a threat to California's penchant for maintaining its own stringent greenhouse gas reduction rules based on the waivers it receives periodically from the EPA. This is because the EPA's authority to grant the waivers to California is rooted in statutory language.

The state's authority to independently set stronger tailpipe emissions standards than those of the federal government was granted half a century ago, when Congress passed the Clean Air Act in 1970. The law included special conditions for California to help the state address its severe smog. To promote uniformity, the law generally bars states from regulating emissions. But when the Clean Air Act was passed, California was already developing innovative laws and standards to address its unique air pollution problems. So, Congress carved out an exemption for California, that would seem difficult to challenge on a constitutional basis fifty years later.

There is now, though, a more expansive question as to how the ruling could affect the control all federal agencies have in imposing regulations and how states like California – which have historically taken a stronger approach to tackling climate change– could be affected.

What does the California's Air Resources Board (CARB), which oversees the state's efforts to reduce air pollution, and state leaders have to say about the ruling? Governor Newsom issued this defiant statement, "The Supreme Court sided with the fossil fuel industry, kneecapping the federal government's basic ability to tackle climate change. Today's ruling makes it even more imperative that California and other states succeed in our efforts to

combat the climate crisis. While the court has once again turned back the clock, California refuses to go backward – we're just getting started. California will remain the tentpole for this movement with record investments and aggressive policies to reduce pollution, to protect people from extreme weather." All right then.

This decision seems to say that agencies like the EPA can't create regulations that have expansive social and economic impacts on their own, despite decades of precedent doing exactly that. Such rules would now require Congress to specifically create laws to implement them, and given the difficulty of passing any federal legislation, it would drastically impair the EPA's ability to regulate pollution.

Does this also mean that the theory that a regulatory agency may not create regulations that have expansive social and economic impacts on their own, without specific statutory language, supporting the regulations--apply to a state agency like CARB? We will let the courts and lawyers settle that one.

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SCHEDULE YOUR APPOINTMENT **TODAY!** The blood supply is critically low in the summer months, so the San Diego Blood Bank is asking for your help in replenishing that supply.

**1 PINT SAVES 3 LIVES** 

# AGC of America Needs your Help to Measure the Scope of Construction Labor Shortages by Taking a Quick Survey

The survey will close on August 12th

The construction industry has experienced some very significant and sudden changes during the past few months that have led to dramatic changes in demand for work, availability of key construction materials, and the need for new workers. We want to understand exactly how those changes are impacting the industry's current workforce

needs to better be able to advocate for measures to help the industry's labor needs in both the short- and long-term.

That is why we are asking you to take a few minutes to complete the following <u>workforce survey</u> that we and our partners at Autodesk have prepared. The more people understand the scope and consequences of current labor market conditions, the more likely they are to enact measures to help meet the industry's needs. The more members who take the <u>survey</u>, the better able we all will be to describe labor market conditions where you operate.



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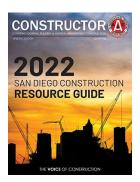
July 29 - **DAY AT THE RACES** @ Del Mar Racetrack (**SOLD OUT**) August 5 - **AFFILIATE DAY GOLF** @ Singing Hills

#### **SAVE THE DATE**

October 6 - CLC CAR SHOW & MIXER

October 10 - FALL GOLF

December 3 - HOLIDAY DINNER DANCE - Roaring 20's theme



# AGC San Diego Constructor Magazine – 2022 Resource Guide - Now Available

The AGC San Diego Constructor Magazine – 2022 Resource Guide will be arriving in mailboxes this week, or you may read the <u>digital version</u> now. The resource guide is an updated list of AGC member companies by category and provides additional information including our local Public Agency directory.

**VIEW MAGAZINE** 

# **EDUCATION/SAFETY TRAINING**

# AGC San Diego Presents Estimating Civil Construction, a 3-Day Hands-on-Training Seminar

Presented by Michael Somers, Owner of The Construction Classroom at ABC of Wisconsin.

This course consists of 3-days of hands-on-training in civil estimating. The course will cover all the tasks required to



develop an accurate sitework estimate. Students learn to calculate work quantities from engineering drawings, correctly adjust for material swell and shrink, assemble efficient crews, and determine productivity.

Participants use concise and proper methods to prepare thorough, organized cost estimates gaining knowledge and skills from world class instruction by an experienced estimator. Practical application using hands-on exercises from real world examples will guide participants through critical problem solving and discussion.

MODULE 1: ESTIMATING EARTHWORK MODULE 2: ESTIMATING PIPEWORK

MODULE 3: ESTIMATING ROADWORK & PAVING

MODULE 4: ESTIMATING EQUIPMENT, LABOR, OVERHEAD COSTS

The **September session** is already **SOLD OUT!** We have added an October session as well as December Session. Class size is limited, register early to guarantee your space.

The Early Bird rate will stay in effect until July 31st so don't miss out on saving \$200

# **Dates open for Registration**

October 25 – 27, 2022 December 13 – 15, 2022

AGC Member Rate: \$1195 | Non Members Rate \$1495

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July 11- Fall Protection 8-Hour CPT - (Ferris Square)

July 7- Microsoft Excel Beginner - offsite

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July 20 - 8:00 AM - Build & Service Charitable Alliance - Lakeside/call in

July 20 - 11:30 AM - Specialty Council - Lakeside

July 20 - 11:45 AM - Airport - Virtual

July 28 - 1:00 PM - City of San Diego - Virtual

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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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The Associated General Contractors, San Diego Chapter, Inc.

10140 Riverford Road, Lakeside, Lakeside, CA 92040



# Council to Consider Proposition A Repeal for November Ballot

By Dustin Steiner, Vice President Government & Industry Relations

The San Diego City Council has announced they will consider a ballot measure that will repeal Proposition A at their meeting on July 25, 2022. Proposition A currently bans union-only Project Labor Agreements (PLA) on City projects. In 2012, Prop A was supported by 58% of the voters and the *San Diego Union-Tribune (UT)*. The proponents of this repeal have said that San Diego tax dollars are at risk citing a decade old state law (SB 922), which was enacted to prevent cities from passing PLA bans by threatening to withhold state funding for construction projects. However, there is no evidence that any money has been withheld or restricted by the State.

The so-called "Safeguard San Diego" coalition states on their website that "outdated city contracting rules put San Diego at risk to lose millions in state infrastructure funds." However, the historical and legal record proves otherwise. In fact, the City of San Diego has specific language carving out an exception to the ban if that is a requirement for receipt of State or Federal funds. The language in Prop A states "Should the City of San Diego be prohibited from requiring contractors to use Project Labor Agreements for City construction projects, except where required by law, and should the Mayor be required to post online all construction contracts over \$25,000?

In the case of AGC of America San Diego Chapter, Inc. vs. City of San Diego regarding "Pure Water" Projects, an injunction was granted by Superior Court Judge John S. Meyer as requested by AGC based on the lack of an identifiable PLA mandate from the State: "Although there is evidence of state funding, there is no evidence that the State has conditioned receipt of these funds by requiring a Contractor execute or be a party to a PLA. The exception set forth in SDMC 22.4402 applies in cases when there is a State requirement as a condition to receiving state funds." The Judge's ruling also disagreed with the City's argument that the California Public Contracting Code 2502 requirement for "discretion" for the City to use PLAs threatened state funding, writing "PCC 2502 does not support the City's position." The historical records coincide with that legal ruling as both Proposition A and PCC 2502 have been enacted for nearly a decade without any state funding for the City being impacted.

In October of 2019, Governor Newsom signed then Assemblyman Todd Gloria's AB 1290 to require a PLA as a condition to receive state funding for "Pure Water," providing PLA

proponents their long-sought mandate. AGC challenged the legislation in court, but the case was dismissed in August of 2020, and AGC filed an appeal. AGC and the City reached a settlement in September of 2020, ending both cases with the City paying partial legal fees to AGC. Subsequently, the San Diego City Council used its "discretion" allowed for in Proposition A, and mandated in PCC 2502, to adopt a Project Labor Agreement rather than forgoing State funding.

In May, AGC San Diego sent a letter to City Attorney Mara Elliott citing this record and seeking her assistance with crafting language for the City Council and subsequently the ballot that is transparent, legally defensible, and most importantly, not political spin that is provably false.



# United States Supreme Court: AB 5 is here to stay

By Chad Wishchuk, Esquire (Partner at Finch, Thornton & Baird)

AGC will host a "lunch and learn" seminar on AB 5 presented by Chad Wishchuk, Esquire (Partner at Finch, Thornton & Baird Attorneys at Law) on July 26<sup>th</sup> at the Lakeside office of AGC. The seminar will include a presentation on how AGC members can comply with AB 5 and a question-and-answer session to insure all your questions are answered. Lunch will be provided. To Register for the seminar, click here.

On June 30, 2022, the United States Supreme Court declined to weigh in on the legality of California's AB 5. As a result, the Ninth Circuit Court of Appeals' injunction delaying the enforcement of AB 5 is now dissolved and the law will go into full effect immediately. This is bad news for all "independent contractors" in California who cannot satisfy AB 5's rigid "ABC Test."

Construction subcontractors and construction truckers can still rely on the exemptions in AB 5 tailored to each of them. There is no end date for the construction contractor exemption. The construction trucking services exemption, however, sunsets on January 1, 2025. Those exemptions are described below.

Click here to view the "one-pager" on AB 5.

Construction subcontractors, including construction truckers, are exempt from the ABC Test if all of the following criteria are satisfied:

- The subcontract is in writing.
- The subcontractor is licensed by the Contractors State License Board and the work is within the scope of that license.
- The subcontractor has the required business license or business tax registration.
- The subcontractor maintains a business location separate from the business or work location of the contractor.

- The subcontractor has the authority to hire and to fire other persons to provide or to assist in providing the services.
- The subcontractor assumes financial responsibility for errors or omissions in labor or services as evidenced by insurance, legally authorized indemnity obligations, performance bonds, or warranties relating to the labor or services being provided; and
- The subcontractor is customarily engaged in an independently established business of the same nature as that involved in the work performed.

# A subcontractor providing construction trucking services does not need a contractor's license if they meet the following:

- The subcontractor is a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation.
- The subcontractor is registered with the Department of Industrial Relations as a public works contractor pursuant to Section 1725.5, regardless of whether the subcontract involves public work.
- The subcontractor utilizes its own employees to perform the construction trucking services, unless the subcontractor is a sole proprietor who operates their own truck to perform the entire subcontract and holds a valid motor carrier permit issued by the Department of Motor Vehicles; and
- The subcontractor negotiates and contracts with, and is compensated directly by, the licensed contractor.

# **AGC BLOOD DRIVE**

### **AGC's Blood Drive Results**

Thank you to the following member firms who participated as a host for our construction industry blood drive last week. Your continued support helps us to replenish the blood supply at the San Diego Blood Bank and LifeStream during the summer months.

Acme Safety & Supply Corp.

Balfour Beatty

C.W. Driver LLC

Countywide Mechanical Systems, Inc.

Dynalectric Company

Erickson-Hall Construction Co. (3 locations)

Hawthorne Cat

Hazard Construction ENGR LLC

Hensel Phelps

PCL Construction

PRAVA Construction Services, Inc.

Sherwood Mechanical, Inc.

Sundt Construction, Inc. (2 locations)

Sundt Construction, Inc.

Swinerton (see photo below)

TC Construction Company, Inc.

**AGC** 

The results from our 4-day blood drive were **457 pints collected**, which equals **1,371 lives saved!** Thanks to all the donors and all the hosts who made this happen!



#### **WELCOME NEW MEMBERS**

The AGC Board of Directors and the AGC staff welcome the following firms as new members to the Associated General Contractors of America, San Diego Chapter, Inc.

**AC Pros Inc.** 

<u>AlphaCore</u>

**Christian Brothers Emergency Building Services** 

Clelland & Company, Inc.

Crimson Marie Co. Inc.

**DMC Enterprises** 

GQ Builders, Inc.

Hi-Tech Painting, Inc.

**HL Hitchcock** 

Neuroth Construction Inc.

**Optimus Building Company** 

Peterson Grading & Paving

Servpro of Chula Vista

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

# AGC of America Needs your Help to Measure the Scope of Construction Labor Shortages by Taking a Quick Survey

The survey will close on August 12th

The construction industry has experienced some very significant and sudden changes during the past few months that have led to dramatic changes in demand for work, availability of key construction materials, and the need for new workers. We want to understand exactly how those changes are impacting the industry's current workforce needs to better be able to advocate for measures to help the industry's labor needs in both the short- and long-term.

That is why we are asking you to take a few minutes to complete the following <u>workforce survey</u> that we and our partners at Autodesk have prepared. The more people understand the scope and consequences of current labor market conditions, the more likely they are to enact measures to help meet the industry's needs. The more members who take

the <u>survey</u>, the better able we all will be to describe labor market conditions where you operate.



# Affiliate Day Golf Tournament on August 5

Limited foursomes remaining for Affiliate Golf Tournament on Friday, August 5, 2022, held at the Singing Hills Golf Resort at Sycuan!

Title Sponsors for this major event are: Alliant Insurance Services and Moss Adams

In addition, AGC's Diamond Sponsor, <u>Finch, Thornton & Baird, LLP</u> will be supporting the lunch station and the tee prize given to every golfer. The tee prize is always something special!

Registration starting at 8:00 a.m. Shot Gun start will be 10:30 a.m.

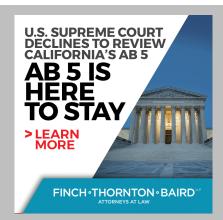
### To ensure your spot, Register Now! LIMITED FOURSOMES LEFT!

This event is much anticipated and offers great marketing opportunities for AGC members. There are still sponsorships available. Get in on it while you can!

Click here for the sponsorship form.

Contact Rae Krushensky at <a href="mailto:raek@agcsd.org">raek@agcsd.org</a> with any questions. Exhibitors can contact AGC's Dustin Steiner at <a href="mailto:dsteiner@agcsd.org">dsteiner@agcsd.org</a> with questions.







July 29 - **DAY AT THE RACES** @ Del Mar Racetrack (**SOLD OUT**) August 5 - **AFFILIATE DAY GOLF** @ Singing Hills Golf Resort

#### **SAVE THE DATE**

October 6 - CLC CAR SHOW & MIXER

October 10 - FALL GOLF

December 3 - HOLIDAY DINNER DANCE - Roaring 20's theme

# **EDUCATION/SAFETY TRAINING**

# **JULY CLASSES**

July 18 -20 - Fall Protection 24-Hour CPT (limited seating available)

July 21- Microsoft Excel Advanced - offsite

July 21 - Foreman and Superintendent Bootcamp (Lakeside)

July 25 - Fall Protection Competent Person Refresher Training - (Ferris Square)

July 26 - ATSSA Traffic Control Technician and Flagger Training - Class is Full

July 26 - Silica CPT (Lakeside)

July 27 & 28 - CQM-C Online Training

July 27 & 28 - Blueprint Reading

July 27- CPR First Aid Training (Lakeside)

July 28 - Quickbooks for Beginners - offsite

#### **JULY - DEC EDUCATION CATALOG**



**Training Calendar & Class Registration** 

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

# ONLINE PLAN ROOM





# **COMMITTEE/COUNCIL MEETINGS**

**Committee Meeting Calendar** 

Get Involved - Join a Committee

#### **JULY MEETINGS**

July 20 - 8:00 AM - Build & Service Charitable Alliance - Lakeside/call in

July 20 - 11:30 AM - Specialty Council - Lakeside

July 20 - 11:45 AM - Airport - Virtual

July 28 - 1:00 PM - City of San Diego - 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 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



#### WE NEED YOU!

By Dustin Steiner, Vice President Government & Industry Relations

In a few short hours, the San Diego City Council will consider a ballot measure to repeal Proposition A, which currently bans *union-only* Project Labor Agreements (PLA) on City projects.

#### Tell the City Council to allow ALL San Diegans to work on City projects!

We need you to **call**, **write**, **or attend the meeting** in-person and ask the City to uphold the will of the voters and reject placing this measure on the November ballot.

The City Council should:

- allow ALL San Diego workers to work on the projects their tax dollars pay for
- allow ALL State and Federal approved apprentices to work on City projects
- not force workers to pay into union pension funds when they will never see the benefit

#### This is NOT union vs. non-union. It is simply a matter of FAIRNESS!

80% of the local construction industry is open-shop. In addition, **Prop A was supported by 58% of the voters in 2012!** Mandatory PLAs hurt local hire and displace thousands of craft workers who pay taxes in San Diego and should have the opportunity to build projects in their own community!

The item # is 604 (see full agenda)

To submit a written comment, click here.

### To join the Meeting virtually:

https://sandiego.zoomgov.com/j/1614863189

When prompted, input Webinar ID: 161 486 3189#

When the Clerk introduces the item you would like to comment on, raise your hand by either tapping the "Raise your Hand" button on your computer, tablet, or Smartphone, or

by dialing \*9 on your phone. You will be taken in the order in which you raise your hand. You may only speak once on a particular item.

When the Clerk indicates it is your turn to speak, click the unmute prompt that will appear on your computer, tablet or Smartphone, or dial \*6 on your phone.

#### To attend in person:

SPECIAL COUNCIL MEETING
MONDAY, JULY 25, 2022, AT 12:00 PM
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS − 12<sup>™</sup> FLOOR
202 "C" STREET
SAN DIEGO. CA 92101

We need all hands on deck! The future of construction in San Diego depends on it!



# United States Supreme Court: AB 5 is here to stay

By Chad Wishchuk, Esquire (Partner at Finch, Thornton & Baird, LLP)

AGC will host a "lunch and learn" seminar TOMORROW on AB 5 presented by Chad Wishchuk, Esquire (Partner at Finch, Thornton & Baird Attorneys at Law) at the Lakeside office of AGC. The seminar will include a presentation on how AGC members can comply with AB 5 and a question-and-answer session to insure all your questions are answered. Lunch will be provided. To Register for the seminar, click here.

On June 30, 2022, the United States Supreme Court declined to weigh in on the legality of California's AB 5. As a result, the Ninth Circuit Court of Appeals' injunction delaying the enforcement of AB 5 is now dissolved and the law will go into full effect immediately. This is bad news for all "independent contractors" in California who cannot satisfy AB 5's rigid "ABC Test."

Construction subcontractors and construction truckers can still rely on the exemptions in AB 5 tailored to each of them. There is no end date for the construction contractor exemption. The construction trucking services exemption, however, sunsets on January 1, 2025. Those exemptions are described below.

Click here to view the "one-pager" on AB 5.

Construction subcontractors, including construction truckers, are exempt from the ABC Test if all of the following criteria are satisfied:

- The subcontract is in writing.
- The subcontractor is licensed by the Contractors State License Board and the work is within the scope of that license.

- The subcontractor has the required business license or business tax registration.
- The subcontractor maintains a business location separate from the business or work location of the contractor.
- The subcontractor has the authority to hire and to fire other persons to provide or to assist in providing the services.
- The subcontractor assumes financial responsibility for errors or omissions in labor or services as evidenced by insurance, legally authorized indemnity obligations, performance bonds, or warranties relating to the labor or services being provided; and
- The subcontractor is customarily engaged in an independently established business of the same nature as that involved in the work performed.

# A subcontractor providing construction trucking services does not need a contractor's license if they meet the following:

- The subcontractor is a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation.
- The subcontractor is registered with the Department of Industrial Relations as a public works contractor pursuant to Section 1725.5, regardless of whether the subcontract involves public work.
- The subcontractor utilizes its own employees to perform the construction trucking services, unless the subcontractor is a sole proprietor who operates their own truck to perform the entire subcontract and holds a valid motor carrier permit issued by the Department of Motor Vehicles; and
- The subcontractor negotiates and contracts with, and is compensated directly by, the licensed contractor.

#### CalSavers Deadline has Passed

Under the CalSavers Retirement Savings Trust Act ('The Act'), the last deadline requiring California employers to offer a qualified retirement plan to employees was on June 30, 2022.

Which employers are required to comply? The Act now applies to any California employer with at least five (5) employees that do not already have an employer-sponsored retirement plan (i.e. 401k). They are required to either establish their own retirement plan or provide their employees with access to CalSavers.

**How is employer size determined?** The Act defines the size of the employer based on its average number of employees throughout the year, as reported to the Employment Development Department (EDD) on the Form DE 9C during the previous calendar year.

Are there penalties if the employer fails to comply? Yes. According to CalSavers, "Per Government Code Section 100033(b), each eligible employer that, without good cause, fails to allow its eligible employees to participate in CalSavers, on or before 90 days after service of notice of its failure to comply, shall pay a penalty of \$250 per eligible employee if noncompliance extends 90 days or more after the notice, and if found to be in noncompliance 180 days or more after the notice, an additional penalty of \$500 per eligible employee for a total non-compliance penalty of \$750 per eligible employee."

Are there other options besides CalSavers? Yes, you can offer your employees a qualified retirement plan outside of CalSavers. AGC San Diego Chapter members should consider the AGC, San Diego Chapter, Inc. 401k Multi-Employer Plan (MEP) which fully complies with the requirements set forth by California AB 1234. Some of the advantages of choosing the AGC San Diego's 401k MEP plan are as follows:

- There is no set up fee and no annual audit.
- Employee contributions are tax deferred and the savings limit is much higher than under Cal Savers: \$20,500 (plus \$6,500 catch up for employees 50+)
- Employer contributions are permitted.
- Minimal plan maintenance and ability to customize your plan design.
- To get setup with the AGC San Diego Chapter, Inc. Retirement Trust 401k MEP, contact:
  - Corey Klinke West Coast Group Benefits (858) 521-7391 / corey@westcoastbenefits.com
  - Glen Schaffer Schaffer Enterprises (858) 337-4939 / gschaffer@proservgrp.com
  - Patrick Casinelli Cavignac & Associates (619) 234-6848 / pcasinelli@cavignac.com
  - Ryan Stover Marsh & McLennan (858) 875-3058 / Ryan.Stover@MarshMMA.com
  - Laura Williams McGriff Insurance (619) 525-2823 / Williams.laura@mcgriff.com
  - Matthew Mikolajewski Wealth Management (615) 236-6011/ invest@mattwealth.com

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# **EDUCATION/SAFETY TRAINING**

#### **JULY CLASSES**

July 26 - AB 5 Lunch & Learn

July 27 & 28 - CQM-C Online Training

July 27 & 28 - Blueprint Reading

July 28 - Quickbooks for Beginners - offsite

# **AUGUST CLASSES**

August 1–3 Fall Protection 24 Hour CPT

Aug. 2 August Stormwater Virtual Seminar: NOT Process Changes in the DRAFT CGP

Aug. 3 Construction Scheduling

Aug. 4 CONSTRUCTION LAW: Construction Contracts 101 (Lakeside)

Aug. 4 Effective Project Engineer 24-Hour Certificate Program (Lakeside)

Aug. 4 MS Excel Beginner Training Class

Aug.8 Fall Protection CP Refresher

Aug. 8 Trenching & Excavating CPT

Aug. 8 AGC BIM Education Program Units 1 - 4

Aug. 9-10 Trenching & Excavating 24-Hour CPT

Aug. 9 STP Unit 1: Leadership and Motivation (Lakeside)

Aug. 9 Qualified Rigger & Signal Person

Aug.10 Frame Scaffold CPT

Aug. 10-11 USACE CQM-C Certification

- Aug. 11 MS Excel Intermediate Training Class
- Aug. 18 MS Excel Advanced Training Class
- Aug. 22 Fall Protection 8-Hour
- Aug. 23 Silica CPT (Lakeside)
- Aug. 24 Preventing Harassment & Hostile Work Environment for Employees
- Aug. 25 Preventing Harassment & Hostile work Environment for Supervisors
- Aug. 25 Confined Space for Entrant, Attendant, Entry Supervisor, Competent Person and Non-Entry Rescuer
- Aug. 25 BLUEBEAM REVU 20 BASICS (Lakeside)
- Aug. 30-Sep 1 Confined Space 24-Hour
- Aug. 31 CPR First Aid Training

# **JULY - DEC EDUCATION CATALOG**



**Training Calendar & Class Registration** 

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#### **JULY MEETINGS**

July 28 - 1:00 PM - City of San Diego - Virtual

#### **AUGUST MEETINGS**

Aug. 3 - 7:00 AM - Safety Committee - Lakeside

Aug. 17 - 11:30 AM - Affiliate Members Council - Lakeside

Aug. 17 - 4:00 PM - Construction Leadership Council (CLC) @ CBIZ

Aug 24 - 11:30 AM - Workforce Development - Lakeside

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