



ALABAMA UTILITY CONTRACTORS ASSOCIATION

**TIM AYERS, EXECUTIVE DIRECTOR
DECEMBER 2022**



Director's Comments:

As we prepare for the ball to drop to bring 2022 to a close, what another crazy year it has been. Record amounts of infrastructure projects continued, and based on authorized funding levels, show no signs of slowing down in the near future. An unprecedented cold front this month left some Alabama cities overwhelmed with frozen pipes and leaks, causing critical water issues in many parts of our state. These issues, while unfortunate, yet again serve as a reminder as why our industry and workers are so critical and that continued investments in infrastructure upgrades are needed.

Inflation and supply chain disruptions were something that impacted everyone this year, AUCA included. As a result, our operating budget was adversely impacted and the AUCA Board of Directors voted at the December 7th meeting to have our first membership dues increase in over ten years. This decision wasn't an easy one, but it was felt necessary in order for AUCA to continue to provide the needed level of service to our members. Renewal notices will be sent out in January, so please be on the lookout for it and let us know if you have any questions or concerns.

We are so thankful for our members and are wishing you all a happy, healthy, and abundant 2023!

Tim



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Upcoming Meetings & Events:

AUCA Industry Lunch Meetings
2023 Dates and Locations To Be Announced

Charge the Hill - Legislative Awareness Day
Thursday, March 9, 2023
9:00 a.m. - 11:00 a.m.

State House Building
11 South Union Street - Montgomery, AL 36130

This is your opportunity as AUCA members to join together in a unified voice to help educate our Legislators on the concerns of the workforce that supplies, installs, and rehabilitates the infrastructure of water, sewer, gas, electrical, broadband, and other underground utility systems throughout Alabama.

AUCA 2023 Spring General Meeting,
Golf Tournament and Shrimp & Crawfish Boil
Thursday, April 20, 2023
Arrowhead Country Club
Montgomery, AL



AUCA 2023 Fall General Meeting
& Sporting Clay Shoot
Thursday, October 12, 2023
Lower Wetumpka Shotgun Sports Club
Montgomery, AL



News & Notes:

AUCA 2023 Scholarship Program:

The application process for our 2023 Scholarship Program is now open. Scholarships will be awarded to applicants that have not previously received an AUCA scholarship. Deadline for submissions will be February 28th, and winning applicants will be selected at the March 2023 AUCA Board of Directors Meeting.

- Scholarships awarded will be worth \$1,500 each.
- Money will be paid directly to the College or Trade School of the applicant's choice.
- Applications are available on the AUCA website:

<http://www.aluca.org/scholarship-program.html>

Application Criteria:

- Must be a resident of Alabama.
- Must be enrolling in, or attending a community college, technical school, or university in Alabama.
- Open to any field of study, but preference may be given to applicants enrolled/enrolling in an engineering or construction-related curriculum.
- Must be either employed by, or have a parent or grandparent employed by a current AUCA member company.
- Cannot have previously received an AUCA Scholarship.
- Application must be received by February 28, 2023.

Group Retirement Planning:

BenSource Employee Benefits, an AUCA member company, is staffed to take your call with any questions you may have about starting a retirement plan, or to compare your current plan with the ***Contractor's Retirement Plan***. BenSource can be reached at (205) 536-9204.

Here are just few of the unique benefits of this plan:

- Eliminates all TPA costs, all audit costs, 5500 costs and document costs
- Greatly reduces employee investment costs - the *power* of group buying
- Eliminates nearly all of the HR tasks typically associated with 401k
- Diverts the significant fiduciary liability away from the business owner

2023 AUCA Membership Dues Renewal:

AUCA 2023 Membership Dues Notices will go out in January. Please be on the lookout for the notice. We appreciate your past support of AUCA, and hope that your company will renew your membership with our group and help us continue to work towards our goals in 2023.

We ask that you please return your dues promptly to ensure no disruption in member benefits.



News & Notes:

AUCA Holiday Lunch Meetings

During December, AUCA members had an opportunity to fellowship at lunch meetings held throughout the state in Mobile, Tuscaloosa, Huntsville & Birmingham.



Health & Safety:

Provided by Travelers Insurance

Using Temporary Heaters on Construction Sites

Whether for employee comfort, [preventing frozen water pipes](#) or to maintain temperatures necessary for materials to set (such as adhesives), the cold weather season is a time when temporary heating systems on construction sites are in high demand. If temporary heaters are not operated correctly, they can pose a significant threat of fire to a project, not to mention potential harm to employees.

Every year, construction site fires occur due to improper selection, setup, use and management of temporary heaters. Construction fires can lead to significant, or total loss. [Fire risks](#) increase as well when temporary heaters, even those properly selected and setup, are left running continuously or left unattended.

Given the hazards temporary heaters can present, it is important to select the right heater, as well as include their use and precautions within your site-specific safety plan to help ensure heaters are used safely.

Choosing the Safest Type and Best Practices for Using Temporary Heating

The permanent heating system, once installed and functional with all safety controls in place and operational, is the best source of heat during construction. If this is not an option, the following temporary heating devices are available:

Indirect Fired

Indirect fired heaters are commonly fueled by diesel, propane or natural gas. The flame is contained in a burn chamber, where cool air passes over and around a heat exchanger and warm air is ducted into the building. The higher cost and lower efficiency of these heaters are offset by the lower risks associated with general use, as well as the lower potential for introducing carbon monoxide into enclosed buildings.

Tips for using indirect fired heaters safely include, but are not limited to:

- Units should be located on stable ground outside the building.
- For gas-fired units, all fuel line piping should be flexible, American Gas Association (AGA) rated, and secured against physical damage.
- Fuel tanks should be secured and protected with bollards or jersey barricades.
- Flue stacks should be located away from combustibles and located to prevent fumes from entering the structure/building.
- Units, including all hoses and fuel tanks, should be inspected and maintained regularly by a



Health & Safety:

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qualified vendor/service company through a written agreement.

Direct Fired

Direct fired heaters, often referred to as "salamanders" or "torpedoes," convert 100 percent of the fuel being used into heat. They have relatively low operating costs, are easy to transport and locate, and are a powerful heat source. The inherent hazard is that the unit provides a direct flame, which, if too close to combustibles, can lead to a fire. It is generally not recommended to use a direct fired heater inside a wood frame structure. Due in part to maneuverability, these smaller units may also be more prone to tipping over. There is also an increased potential for dangerous levels of [carbon monoxide](#) inside the building that can create a serious health hazard for employees.

Tips for using direct fired heaters safely include, but are not limited to:

- Place heaters on a non-combustible surface that extends four feet in front of the unit, unless approved otherwise by the manufacturer.
- Be sure units are mechanically secured to prevent movement.
- Ensure electronic flame sensors or pilot safety valves are in place.
- Verify the unit is shut off and has cooled down before refueling. Never refuel indoors or within 50 feet of the building.
- Maintain proper safety clearances on all sides from combustible materials.
- Carbon monoxide detection, alarms and make-up air systems should be used.

Electric

Portable electric heaters may meet the needs for temporarily heating smaller areas. These heaters use a filament or ceramic disc to create heat, and a fan disperses the warm air. Advantages include a reduced risk of health and safety exposures to employees, and disadvantages include a need for electrical power, and perhaps the need for multiple heating units.

Tips for using electric heaters safely include, but are not limited to:

- Units should only be used in a dry environment.
- Ensure the electrical circuit is rated for the size of the unit.
- Utilize ground fault protection for employee safety.
- Protect electric heaters from potential tip over.



Health & Safety:

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- Locate heaters away from combustible materials.

All temporary heaters should be UL, CSA or ETL listed and provided with automatic high temperature, tip over and safety shut down capabilities. As part of a general contractor's approach to managing subcontractors, prior approval should be required to allow heaters on site. Also, management should ensure that portable heaters are shut off and secured in the off position when left unattended. If it is necessary to leave a heater on, such as during non-working hours, security or other personnel should perform frequent inspections. It is also recommended that the local fire department be informed when any type of temporary heating is being operated after work hours.



Clean Water Construction Coalition Report

From Dan Kennedy - Chairman CWCC & Sante Esposito - Key Advocates

December 2022 Insights

Midterm Election

House of Representatives: 220 Republicans, 213 Democrats, majority 218 – 2 remaining races - both likely GOP

Historically, on average, 27 House seats have been lost by the party in power – that is, the party that controls The White House - in the midterm election. As examples, the Republicans lost 40 seats in the Trump midterm, the Democrats 63 in the Obama midterm and the Democrats 54 in the Clinton midterm. Also, when the President is below 50% approval rating – which Biden is – the historical midterm average loss since 1982 is 46 seats. In this month's midterms, the Democrats' likely loss is 9 seats.

Senate: 50 Democrats, 49 Republicans, 1 result outstanding (Dec. 6 George runoff)

Historically, on average, 4 seats have been lost by the party in power in the midterm election. In this month's midterms, the Democrats gained 1 seat with George pending.

Leadership

House of Representatives:

Speaker – Congressman Kevin McCarthy (R-23-CA) nominated pending Full House vote
Majority leader – Congressman Steve Scalise (R-1-LA)
Minority Leader – Hakeem Jeffries (D-8-NY)
Minority Whip – Katherine Clark (D-5-MA)

Senate:

Majority Leader – Senator Chuck Schumer (D-NY)
Majority Whip – Senator Dick Durbin (D-ILL)
Minority Leader – Senator Mitch McConnell (R-KY)
Minority Whip – Senator John Thune (R-ND)

Committee/Subcommittees

Committee and subcommittee assignments will be a work in progress for some time although expect continued activity on this through the rest of the year. Last Congress, the Senate Commerce Committee did not finalize its subcommittee assignments until March of the next year.

House: With a change in majority there will be new committee and subcommittee chairs, with the number of majority to minority members on committees and subcommittees reflecting the overall ratio of majority to minority members in the full House. Committee, subcommittee and committee memberships currently ongoing.

Senate: Don't expect significant changes in committee and subcommittee chairs and ranking members given the few changes in the election. As to the number of majority versus minority members on committees and subcommittees, if Senator Warnock loses and the Senate stays at 50/50 then the number of both sides on committees and subcommittee will stay as is – an equal number. If Warnock wins, the Democrats will get one more slot than the Republicans on committees and subcommittees making it easier to move legislation. Right now, with equal numbers, to move a bill out of committee or subcommittee if there is a tie vote, the bill sponsoring side must offer a motion to discharge the committee or subcommittee on the Senate Floor which is debatable, time consuming and causes delays in the overall legislative process. In the House, with an expected Republican majority, there will be new committee and subcommittee chairs, with the number of majority to minority members on committees and subcommittees reflecting the overall ratio of ma-

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jority to minority members in the full House.

Priorities

We haven't heard anything from the Senate or House Democrats on priorities for the new Congress. We have in the House from Congressman McCarthy. He has identified three: 1) repeal Biden policies although no specifics on which policies; 2) cut spending with the focus on the appropriations process but also including entitlement reform such as Medicare/Medicaid; and, 3) investigations including the Afghan withdrawal, Ukraine funding, COVID cause and treatment, immigration including the border wall and reform, and Hunter Biden. Also, Congressman Sam Graves (R-MO), the incoming chair of the Transportation and Infrastructure Committee, announced that he wants to hold hearings on the Bipartisan Infrastructure Law.

Impacts

Relationships - there will be new Members in key positions and new staff and with that the need to pursue new relationships while continuing to build on existing ones.

Repeals - in terms of the McCarthy announced priorities (if these hold), does repeal of Biden's policies include revisiting the Bipartisan Infrastructure Law and, if so, issues of importance.

Spending cuts - will that include the "add-ons" to the BIF that have been included in the annual appropriations bills. levels. Will it also end earmarks like the Republicans did when they last took the House?

Lame Duck Session

Areas of focus:

1.) "Build Back Better" Bill: Round Two?

It has been reported that some Democrats are planning in the lame duck session to bring back the expanded child tax credit or a smaller version of it. Senators Sherrod Brown (D-OH) and Michael Bennet (D-CO) want to pair it with the renewal of an expired R&D tax break for businesses and other non-controversial items. This could be the vehicle for revisiting the "Build Back Better" Bill effort as the Democrats will still hold the majority in both Houses until the end of the year. If so, we would continue to advocate for funding for the Alternative Water Source Program and large scale water recycling projects, inclusion of H.R. 5118 or some variation, and any other items of interest.

Included in the House-passed "Build Back Better" bill of interest to the Coalition:

- \$30B for Safe Drinking Water SRF lead service line replacement projects;
- \$100M for state public water systems;
- \$700M to reduce lead in school drinking water;
- \$100M for large scale water recycling projects;
- \$1.15B for emergency drought relief;
- \$125M for Alternative Water Source Program grants;
- \$2B for sewer overflow and storm water reuse grants;
- \$4B for reduction of carbon in the surface transportation sector;
- \$4B for affordable and safe transportation access; and,
- \$6B for local surface transportation projects.

No funding for the Clean Water SRF is included in the House BBB. It does include new taxes.

Unofficially, the Senate Environment and Public Works Committee released its BBB title which includes \$9B for SDWSRF-funded lead remediation projects, \$225M for rural and low-income water assistance grants, \$125M for Alternative Wa-

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ter Source Program grants, and \$500M for sewer overflow and storm water reuse municipal grants.

2.) WRDA 2022 – both passed bills include only Corps of Engineers issues. Conference still pending. Will continue to monitor for possible inclusion of issues of interest.

3.) FY23 Appropriation Bills

Congress/the government is operating under a Continuing Resolution until at least Dec. 16. Pending that, work continues on the individual FY23 appropriations bills. To date, 6 of the 12 bills have passed the House, none in the Senate. The Federal government has operated under CR's in all but three of the last 46 years. This may not be the last CR for FY23.

House and Senate "Water" Appropriations Bills:

Included in both the House passed and the Senate announced FY23 Interior and Energy and Water Appropriation Bills are @\$1.7B for the Clean Water SRF, \$1.1B for the Safe Drinking Water SRF and \$20M for WINN grants.

The House Transportation Appropriations Bill includes:

- \$775M for national infrastructure investments (RAISE/TIGER/BUILD), including \$30M for grants to assist areas of persistent poverty and \$100M for the Thriving Communities program;
- Research and technology funding to create more equitable access to transportation systems, combat climate change, and reduce greenhouse gas emissions;
- \$18.7B for the FAA, including \$1.6B for aviation safety and \$273M for airport improvement grants and projects;
- \$61.3B for the FHWA formula programs including \$1.8B for discretionary highway programs and projects;
- \$874M for FMCSA and \$1.2B for NHTSA to make cars, trucks and roads safer;
- \$3.8B for FRA including \$555M for the Intercity Passenger Rail grant program, \$630M for the CRISI grants program, and \$2.3B for Amtrak, including \$882M for the Northeast Corridor and \$1.5B for National Network grants;
- \$17.5B for the FTA, including \$13.6B for buses, \$3B for capital investment grants, and \$646M for transit infrastructure grants; and,
- \$987M for MARAD.

On July 28, the Senate Appropriations Committee released its FY23 Transportation Appropriations Bill that includes:

- \$1B for the RAISE grant program, \$3.2B for the Federal Highway Administration to support additional funding for PROTECT grants for resiliency projects, tribal high priority projects, bridge formula funding, and development of the Appalachian Development Highway System;
- \$2.6B for Amtrak;
- \$200M for the Federal-State Partnership for State-of-Good-Repair (SOGR) to fund the replacement, rehabilitation, or repair of major infrastructure assets providing intercity passenger rail service;
- \$535M for the Consolidated Rail Infrastructure and Safety Improvement (CRISI) program;
- \$2.51B for the Federal Transit Administration's Capital Investment Grants program;
- \$527M for Transit Infrastructure Grants to advance investments into Bus and Buses Facilities, the Low or No Emissions Vehicle Program, Areas of Persistent Poverty, ferry programs, and research to accelerate zero emission technology; and
- \$234M for the Port Infrastructure Development program.

All the above appropriated amounts are in addition to the Bipartisan Infrastructure Law funding amounts.

4.) H.R. 5118, the "Wildlife Response and Drought Resiliency Act" and S. 4231, the "STREAM Act" (Support to Rehydrate the Environment, Agriculture and Municipalities Act)



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H.R. 5118 has passed the House. S. 4231 has been introduced in the Senate. The Coalition supports enactment of H.R. 5118 or some variation in the lame duck session.

H.R. 5118 authorizes \$600M for WIIN grants. This is in addition to the \$550M appropriated in the Bipartisan Infrastructure Law for both traditional Title XVI and WIIN grants. The bill also increases the Federal share from \$20M to \$50M, provides priority project funding and authorizes \$700M (again, this is in addition to the \$450M appropriated in the Bipartisan Infrastructure Law) for large water recycling projects with total estimated cost of at least \$500M.

S. 4231 authorizes \$300M for FY24-28 for WIIN grants. These funds are over and above the BIF WIIN grant appropriated amount of \$550M. The Federal share is \$20M. Priority funding is given to projects that meet certain criteria.

Funding Opportunities

USBR FY23 Title XVI Recycled Water Grants – the USBR announced that \$150M plus what is provided in the FY23 appropriations bill would be available for FY23 WIIN grants. The timing of the solicitation and application process TBD.

State and Tribal Assistance grants – no new grant opportunities because of the number of FY22 STAG earmarks and the projected number of FY23 earmarks. Per EPA, two information documents were sent pending release of the final Community Grants Guidance: one on how to prepare for the grant application process and the second, an optional project status questionnaire.

Alternative Water Source Program grants – pending action on a second round of infrastructure spending.

WRDA 2022 – both passed bills include only Corps of Engineers issues. Conference pending; will continue to monitor for possible inclusion of issues of interest.

“Inflation Reduction Act of 2022” (IRA)

To review, the Senate passed the bill on August 7, the House on August 12 and the President signed it into law on August 16. Highlights include:

- \$369B in energy and climate change programs, with the goal of reducing carbon emissions by 40% by 2030;
- Medicare would negotiate the prices of certain medications and cap out-of-pocket costs at \$2,000 for those enrolled in Medicare drug plans. The Health and Human Services Secretary would negotiate the prices of 10 drugs in 2026, and another 15 drugs in 2027 and again in 2028. The number would rise to 20 drugs a year for 2029 and beyond;
- It would also redesign Medicare’s Part D drug plans so that seniors and people with disabilities wouldn’t pay more than \$2,000 a year for medication bought at the pharmacy;
- The deal would require drug companies to pay rebates if they increase their prices in the Medicare and private-insurance markets faster than inflation;
- The agreement would also extend expiring enhanced subsidies for Affordable Care Act coverage for three years
- Tax credits for electric vehicles are in. Electric Vehicle tax credits will continue at their current levels, up to \$4,000 for a used electric vehicle and \$7,500 for a new EV. However, there will be a lower income threshold for people who can use the tax credits.

To pay for the agreement, the bill would impose a 15% minimum tax on corporations, which would raise \$313 billion over a decade. The current deal also closes the carried interest loophole, which allows investment managers to treat their compensation as capital gains and pay a 20% long-term capital gains tax rate instead of income tax rates of up to 37%. The package also calls for providing more funding to the IRS for tax enforcement. Families making less than \$400,000 per year would not be affected and there would be no new taxes on small businesses.

“Infrastructure Investment and Jobs Act” (BIF)

To review, the \$1.2T law (P.L. 117-58) includes the following (it does not include any new taxes) –

- For FY22-26 \$12.838B for the Clean Water State SRF, starting at \$2.127B in FY22 and going up to \$2.828B in FY26;



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- \$35.713B over five years for the Safe Drinking Water SRF, starting at \$6.702B in FY22 and going up to \$7.403B in FY26;
- No appropriations are included for the Alternative Water Source Projects program (an authorization of \$125M over 5 fiscal years is included);
- \$8.3B for the USBR for FY22-26 with an annual cap of \$1.66B per year including a number of programs under USBR's jurisdiction with specific appropriated amounts but without specifying annual funding amounts for each program;
- For water recycling, the bill appropriates \$1B over 5 FY's, broken down to \$550M for Title XVI and WIIN Act grants and \$450M for "large scale" projects (those with project costs >\$500M);
- \$400M over 5 FY's for WaterSMART;
- \$1.2B for water storage and groundwater;
- \$25M for desalination; and,
- S. 914, as passed by the Senate, which authorizes \$14.65B over five fiscal years for the Clean Water SRF and the Safe Drinking Water SRF, and \$125M for the AWSP and which includes the Feinstein-Padilla amendment which limits the prohibition against applying for Alternative Water Source Program (AWSP) grants to USBR projects that received construction funds; and,

Other core infrastructure -

- \$65B for Broadband
- \$17B for Ports
- \$25B for Airports
- \$7.5B for Zero and Low-Emission Buses and Ferries
- \$7.5B for Plug-In Electric Vehicle Chargers
- \$65B to Rebuild the Electric Grid
- \$21B for Superfund and Brownfield sites

Highway Bill (FAST Act reauthorization)

The Senate FAST Act reauthorization bill is included in the enacted BIF. It authorizes \$287B in highway spending, ninety percent of which would be distributed to the states by formula. It also authorizes \$10.8B for various programs addressing resiliency and \$2.5B for electric, hydrogen, and natural gas vehicle charging and fueling stations. It provides billions for curbing emissions, reducing congestion and truck idling. It also streamlines infrastructure permitting and sets a two-year target for environmental reviews. Lastly, the bill authorizes \$12.5M per year to fund state and regional pilot testing of user-based alternative revenue mechanisms to the gas tax.



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***AUCA IS A MEMBER-DRIVEN, NEEDS
FOCUSED TRADE ASSOCIATION CREATED
SOLELY TO PROMOTE AND ADVANCE THE
UTILITY INDUSTRY IN THE STATE OF
ALABAMA.***

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