



ALABAMA UTILITY CONTRACTORS ASSOCIATION

TIM AYERS, EXECUTIVE DIRECTOR
APRIL 2017

Director's Comments:



This was certainly a month that our state will long remember. After two years of turmoil, Governor Robert Bentley resigned from office on April 10th. Bentley was facing impeachment hearings, and entered a plea agreement to end all potential state charges against him, in exchange for two misdemeanor Fair Campaign Practices Act (FCPA) violations.

As a result of his resignation, Lieutenant Governor Kay Ivey was sworn in as the 54th Governor of Alabama, and will fill the remainder of Bentley's 2nd term. In her short time in office, Governor Ivey has already made an impact by moving the U.S. Senate race from next year to August 2017. This move could shake up the state's political scene in Washington, and in Montgomery.

On May 11th, AUCA will hold our Spring General Meeting in Montgomery. Our scheduled guest speaker is the State of Alabama Finance Director, Clinton Carter. Mr. Carter was appointed as the new State Finance Director in October 2016. As the State's Chief Financial Officer, he serves as an advisor to the Governor and the Legislature in all financial matters. He is also responsible for the administration and oversight of the Department of Finance, and serves on various advisory boards and authorities.

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We hope that you can make time to come out and join us at the event, and have the opportunity to fellowship with your industry peers while listening to the plans for protecting the financial interests of the State of Alabama during these transitional times.

Tim

News & Notes:

Tuscaloosa Area Lunch Meeting - April 12th *Upcoming UA Campus Projects*



Tom Love, University of Alabama Vice-President of Construction Administration presents about upcoming project opportunities. In February, the UA Board of Trustees approved \$250 Million of new projects to be completed on campus.

Mobile Damage Prevention Meeting - April 13th



Wallace Jones from the Alabama Public Service Commission, and McKay Lyvers from Alabama 811 present about record call volume levels for utility locate requests, and how increased construction activity makes Damage Prevention efforts from all industry stakeholders even more important than ever.



News & Notes:

Birmingham Area Lunch Meeting - April 19th *Upcoming Jefferson County Environmental Services Projects*



David Denard, Director of the Jefferson County Environmental Services Department presents about upcoming project opportunities. The department maintains over 3,100 miles of sewer lines, 170 pumping stations and nine wastewater treatment plants throughout the region. The sewer system serves an estimated population of 480,000 residents of the County with the potential to treat 199 million gallons of sewage per day.

April is National Safe Digging Month



The month of April is recognized as National Safe Digging Month. In one of his last acts before resigning from office, then Alabama Governor Robert Bentley signed a Proclamation declaring April to also be known as Safe Digging Month in Alabama. AUCA Board Member Doug Blankenship, from Blankenship Contracting in Dothan, was one of those invited to attend the ceremony.



News & Notes:

OSHA Delays Silica Rule for Construction Industry:

OSHA has issued a memorandum indicating a delay of enforcement for the Crystalline Silica Standard for Construction (29 CFR 1926.1153) until September 23, 2017. The standard's requirements were to be in effect beginning June 23, 2017.

ASCE Infrastructure Report Card:

The American Society of Civil Engineers has released the 2017 Report Card for America's Infrastructure. Every four years, the ASCE depicts the condition and performance of American infrastructure in the familiar form of a school report card—assigning letter grades based on the physical condition and needed investments for improvement. The overall letter grade received was a "D+," further emphasizing the urgent need for the development of a sustainable plan to repair, replace, and expand our nation's infrastructure.

In 2015, Alabama receive a grade of "C-" for our infrastructure, indicating that we are slightly ahead of the national average.

A full copy of the report can be accessed by visiting: www.infrastructurereportcard.org

Alabama One-Call Notification System Study Commission Update:

The One-Call Study Commission will meet again in Montgomery on May 18th at the Alagasco office. The plan is to conclude the report and send it to the Governor, the President of the Senate, and the Speaker of the House for review. The report will recap the nearly two years worth of work put in by the Commission, and hopefully serve as a blueprint for future legislation dealing with the critical topics of Mandatory Membership for a Single Statewide One-Call Program, and improved Enforcement for violations of the One-Call Law.

If you would like to attend the meeting, or provide any feedback, please contact the AUCA office.

AUCA Newest Member Company:

Cleary Construction Inc.

Company Representatives: Darren Cleary & Robbie Butler



News & Notes:

**Jefferson County Environmental Services Department
Construction Projects to be Bid in 2017**

Several AUCA members that attended the Birmingham meeting on April 19th requested a copy of the presentation made by David Denard, Director of Jefferson County ESD. There were also some members that weren't able to attend the meeting that have requested it as well. Below is a snapshot of projects anticipated to bid during the remaining months of 2017. A link to the full presentation will be uploaded to the AUCA website.

~\$62M over 21 projects

- WWTP (3)
- Open cut replacement (4)
- Point repair (2)
- Chemical root control (1)
- Pump station (4)
- Television inspection (1)
- Emergency repair (1)
- Building improvement (1)
- Cured-in-Place rehab (3)
- Stream restoration (1)

Project Name	Projected Bid Date	Construction Estimate
Minor Parkway Pump Station Upgrades	Jun-17	\$1,302,721
Valley Creek WWTP Energy and Process Optimization	Jun-17	\$26,082,170
Leeds WWTP UV Replacement	Jun-17	\$2,000,000
2018 AMP02 - SL RAT	Jul-17	\$2,000,000
Barton Lab Fume Hood Conversion	Jul-17	\$100,000
2016 AMP05 - South Park Pump Station Elimination	Jul-17	\$2,060,500
2016 AMP10 - Adamsville Basswood Dr SSO Elimination	Jul-17	\$1,325,000
2018 AMP03 - Morgan Road Sewer Relocation (ALDOT)	Aug-17	\$2,000,000
2018 AMP04 - 2018 Root Control	Aug-17	\$1,000,000
2018 AMP05 - Wildwood Shopping Center Sewer Relocation	Aug-17	\$200,000
Wickstead Sanitary Sewer Replacement	Aug-17	\$6,000,000
2017 AMP04 - Chapel PS No. 2 Service Area Rehab	Aug-17	\$1,100,000
2017 AMP 05 Sanitary Sewer Rehabilitation	Aug-17	\$3,000,000
2017 Electrical & Process Improvements at Five Mile, Prudes and Valley Creek	Oct-17	\$500,000
Riverchase PS Odor Control	Oct-17	\$500,000
2017 AMP08 - Highland Ave/Bottega Café SSO Elimination	Oct-17	\$320,000
2015 AMP05 - Womack Road Sewer Protection	Nov-17	\$800,000
2018 AMP06 - 2018 Sewer Replacement Contract 1	Nov-17	\$5,000,000
2018 AMP07 - 2018 Village Large Diameter Sanitary Sewer Condition Assessment	Nov-17	\$1,500,000
2018 AMP01 - Leeds Lining & Comprehensive Rehabilitation	Dec-17	\$3,000,000
2018 AMP08 - 2018 Sewer Renewals and On-Call Services	Dec-17	\$2,000,000



Alabama Legislative News:

This month has been one of the most bizarre in the history of Alabama politics. On April 10th, facing impeachment hearings, Governor Robert Bentley resigned from office and entered a plea agreement, which ended all potential state charges against him, in exchange for two misdemeanor Fair Campaign Practices Act (FCPA) violations. Lieutenant Governor Kay Ivey was subsequently sworn in as the new Governor, and will fill the remainder of Bentley's 2nd term.

During her first speech after taking the oath of office, Ivey said, "Today is a dark day in Alabama but also one of opportunity. I ask for your help and patience as we together steady the Ship of State and improve Alabama's image." She also vowed that her administration "will be open, it will be honest and it will be transparent."

New Governor Ivey wasted no time marking her mark on the state, as she signed a proclamation that changed the date for the election to fill the U.S. Senate seat previously held by Jeff Sessions. The election will now be held in 2017, with the primary on August 15th and the general election on December 12th. Should there be a need for a runoff, it will take place on September 26th.

In February, Governor Robert Bentley appointed then-Alabama Attorney General Luther Strange to fill the seat on a temporary basis until a special election after Sessions vacated the seat to become U.S. Attorney General. Bentley later scheduled the special election to coincide with the regular 2018 election cycle, with the primary in June and the general election in November. This decision was controversial, with several prominent officials contending that state law required the election to be held sooner.

Since Governor Ivey's decision, several prominent individuals have indicated that they are giving strong consideration to running for the coveted Senate seat against the current appointed incumbent, Luther Strange. Among these are Chief Justice Roy Moore, Del Marsh, President Pro-Tem of the Alabama Senate, as well as Senators Slade Blackwell, and Trip Pittman.

The 2017 Alabama Legislative Session is 2/3 complete, with 20 of the possible 30 Legislative Days now used. We continue to follow very closely a number of bills that could impact our industry including various gas tax proposals to fund road and bridge infrastructure improvements, prison construction, and bills pertaining to the tax exempt status for public water or sewer authorities, systems, or boards.

Remember to check our weekly "Legislative Pipeline" email report for continuous Legislative updates

Clean Water Construction Coalition Report

From Bob Briant, Jr. - Chairman CWCC

Conversation Continues on President Trump's Proposed \$1 Trillion Infrastructure Package

As previously reported, The President's proposal calls for an infrastructure package yielding \$1 trillion over 10 years. Work in the Administration is being led by National Economic Counsel Director Gary Cohn, the former President and CEO of Goldman Sachs. The Administration is still targeting August for congressional action on infrastructure, although it will most likely be fall at the earliest. Some direct federal spending will be included in its proposal, not just tax credits or federal bonds. The President has talked about using repatriated funds (he mentioned \$200B) and giving priority to shovel ready projects. No details are available.

In Congress, both parties in both houses have agreed that a large, national infrastructure package will be good for our country and our economy, but there is significant dissent on how to reach the President's \$1 trillion goal. House Speaker Ryan wants all of the public infrastructure money offset by private funds, at one point calling for \$40 of private investment per federal dollar.

Across the aisle, Democratic proposals have been introduced in both houses, all of which include payfors, (gas tax, harbor maintenance trust fund, and aviation passenger facility charges), and each of which is intended to start fleshing out details of a tangible plan. Similarly, Congressional committees have begun to hold hearings on infrastructure, with two hearings so far in the Senate Environment and Public Works Committee, and one in Senate Commerce.

Below are Congressional efforts of particular interest to CWCC:

- Senators Schumer, Sanders, Nelson, Leahy, Wyden, Brown, Cantwell, and Carper (Democratic Leadership) have introduced a blueprint that is not specific, but does include \$110B for water funding for the SRF's

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Clean Water Construction Coalition Report

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- Congressman DeFazio (D-OR), Ranking Member of the House Transportation and Infrastructure Committee has a proposal that would authorize: \$20 billion in Federal grants over five years to capitalize Clean Water SRF's; \$2.5 billion annually over five years for grants to address combined and sanitary sewer overflows and recapture and reuse of municipal storm water; and, \$375 million in grants over five years for alternative water source projects
- Congressman Earl Blumenauer (D-OR) and Congressman John Duncan (R-TN) introduced H.R. 1647, the Water Infrastructure Trust Fund Act of 2017, which establishes a Water Infrastructure Investment Trust Fund. The proposal suggests levying a 3-cent fee on every bottle and can - projected to yield about \$7.98 billion – which would be equally divided between the Clean Water and Safe Drinking Water SRF's
- We continue working with Congressman McNerney on his omnibus water bill. A final draft that includes our input is in the works, and funds the Clean Water SRF at \$100M increments over the \$1.3B figure. Introduction could be as early as late April

FY 17 Appropriations

It's unlikely that individual FY17 appropriation bills will pass this year. There are also challenges for doing an omnibus bill. Congress will likely extend the current Continuing Resolution to the end of FY17. There is talk, however, about the possibility of a FY17 Supplemental Appropriations. No details are available. Prior to recessing, the Congress passed a Continuing Resolution funding the government until April 28, 2017, at FY16 levels. To review, the House FY17 Interior Appropriations Bill provides \$1B for the Clean Water SRF, \$1.07B for the Safe Drinking Water SRF and \$40M for WIFIA. The Senate bill provides \$1.35B for the Clean Water SRF, \$1.02B for the Safe Drinking Water SRF and \$30M for WIFIA.



Upcoming Events:



AUCA 2017 Spring General Meeting & Golf Tournament

Thursday, May 11, 2017
Arrowhead Country Club
50 Ocala Drive Montgomery, AL 36117

General Meeting & Buffet Lunch - 11:30 a.m.
Golf Tournament - 1:00 p.m. Shotgun Start
Low Country Shrimp & Crawfish Boil
(Immediately Following Golf Tournament)



General Meeting & Buffet Lunch
Guest Speaker: Clinton Carter - Finance Director
Cost: \$20/Person
(Included with Golf Registration or Corporate Sponsorship)

Attend the statewide General Meeting, and hear a presentation from our scheduled guest speaker, new Alabama Finance Director Clinton Carter.

9th Annual Golf Tournament
4-Person Scramble Format
Cost: \$600/Team or \$150/Individual

Complete attached registration form and return ASAP.
Hole and Corporate Sponsorship opportunities available.
Sign up now before the event fills up!



Low Country Shrimp & Crawfish Boil
Cost \$20/Person
(Included with Golf Registration or Corporate Sponsorship)

Come out to our after tournament Low Country Shrimp & Crawfish Boil. Enjoy networking, plus a Silent Auction to bid on your favorite team's sports memorabilia items.



MAY 11, 2017 - EVENT REGISTRATION FORM



To register, please complete this form and return to the AUCA office by fax or email.
A copy of the registration form should also be submitted with payment.

Registration Deadline is May 5, 2017

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____

Phone Number: _____

Email: _____

GOLF TOURNAMENT

4-PERSON TEAM - \$600 **INDIVIDUAL - \$150**

Includes: Lunch, Golf/cart, goodie bag, beverage tickets, prizes, and Low Country Boil

1.) _____	Handicap: _____
2.) _____	Handicap: _____
3.) _____	Handicap: _____
4.) _____	Handicap: _____

SPONSORSHIP OPPORTUNITIES

CORPORATE SPONSOR - \$250
Includes: Company logo on event signage and promotional materials, and admission for one (1) company representative to General Meeting & Low Country Boil

HOLE SPONSOR - \$100
Includes: Name recognition on hole signage and may set-up tent on course to network with golfers and distribute company prizes or literature during tournament

GENERAL MEETING

General Meeting Lunch: \$20/Person x Quantity () = \$ _____

LOW COUNTRY SHRIMP & CRAWFISH BOIL

Low Country Boil: \$20/Person x Quantity () = \$ _____

PAYMENT MUST BE RECEIVED BEFORE OR ON DAY OF TOURNAMENT! Return form and payment to:
Alabama Utility Contractors Association

P.O. Box 383185

Birmingham, AL 35238-3185

Phone: (205) 582-9436

Fax: (205) 582-9155

Email: tim@aluca.org

To pay by credit card, please contact the AUCA office at (205) 582-9436.

Upcoming Events:

We are still finalizing the date and details for the next Huntsville Area Lunch Meeting. Also, due to the recent closure of the Huntsville location of Wintzell's Oyster House, we will be meeting at a new location. Be on the lookout for email updates.



**Tuesday, May 2, 2017
7:30 A.M. - 10:00 A.M.**

**The Wynfrey Hotel
1000 Riverchase Galleria
Birmingham, AL 35244**

Join AUCA member Barfield Murphy Shank & Smith for a nonpartisan discussion of The First 100 Days of the Trump Administration and the potential implications for the next four years and beyond.

They've invited key thought leaders in our community to weigh in and break down the administration's biggest decisions to date, the President's new direction on foreign policy and the progress and prospects in Congress on key domestic issues.

**Washington, D.C. Fly-In &
Clean Water Construction Coalition Conference
May 16-18, 2017**

***AUCA Fall General Meeting & Sporting Clay Shoot*
October 19, 2017
Lower Wetumpka Shotgun Sports Club - Montgomery**



Workforce Development:

Provided by Mark Hornbuckle, CEO @ HB NEXT

Staying Ahead of the Shrinking Workforce

Staying Ahead of the Regulatory Curve and the Role of Workforce Development in the Future of the Construction Industry

The construction industry's growing shortage of skilled craft workers during the past two decades is well documented. While many studies indicate economic factors as the root cause of this issue, the decreasing availability of industry related workforce development such as high school and other craft/trade instruction programs, as well the stigma of not attaining a four-year college degree, have also played a major role. The growing problems with our secondary and higher education infrastructure are a completely different subject for later discussion.

The construction industry workforce development was born out of the necessity for companies to strategically plan for the replacement of their aging and retiring workforce. Traditionally, the journeymen taught the apprentice everything from the craft to what you needed to watch out for from a safety perspective. When the journeymen retired, the apprentice carried on the work and over time the cycle repeated. Most apprentices learned how to do their jobs not necessarily through the corporate safety manual or other corporate based education/training or regulatory code manuals. They learned in the same way their bosses did in the 'good old days' ... they were mentored by the journeyman and eventually became a journeyman themselves.

Up until recently, construction companies' requirements or failures for implementing occupational safety did not necessarily render the company or individual (financially) responsible to their federal or local government. Projects had to be executed quickly and often times the focus on workplace safety and/or other regulatory compliance took a backseat to increasing profits. As the growing consumer advocates and both federal and state governments drive massive expansion of the regulatory environment (from job related safety to financial reporting and tax) the complexion of the construction and other industries workforce compliance requirements have changed drastically.

Current construction projects must be profitable in order to sustain the industry and support growth across this nation. These companies must operate in an ever evolving and complex web of regulatory requirements under OSHA, the Department of Labor, the Department of Health and Human Services, etc. Unfortunately, "higher education" institutions traditionally focus on the four-year degree programs geared towards business management, marketing, accounting and do not produce highly specialized and skilled workers that the construction and other industries need to actually do

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Workforce Development:

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“the work”. Workforce development through revamped high school or youth related programs (i.e.: SkillsUSA and CEFA), as well as restructured technical college programs or private company education/training (i.e. NCCER based) are the only way to successfully replenish our retiring workforce. Fortunately, formal workforce development programs like those listed above are again emerging as the standard.

With increased regulatory/compliance enforcement, rapidly advancing construction related technologies and the rate of workforce retirement, the need for skilled craft workers is greater than it has ever been. The recent economic crisis that formally began in 2008 did not help as many skilled workers in construction were forced to find work elsewhere and have left the construction industry altogether. Uncertainty and doubt have exacerbated the development gap in skilled workers as young talent willing and able to assume future careers in construction have continued to rely on a college degree for “better” and more secure job opportunities. Many of these college graduates are beginning to see that some of their contemporaries who, for example, chose to become a welder under a corporate sponsored training program are not only easily able to find work, but they’re making significantly more per year than most college graduates. The welder is also not saddled with the average \$60,000 in college loans that postgraduates now faces. With the expectation that the industry’s skilled workforce shortage will get worse before seeing tangible signs of improvement, companies should act now on “strengthening their bench” with a plan to stay ahead of an ever-changing regulatory curve.

So, how do you stay ahead of the curve?

Having a substantial pool of skilled, credentialed craft workers is mission critical to the longevity and success of the construction industry. This requires careful planning. Education, credentialing and compliance are among the chief weapons at a company’s disposal to combat an impending deficit of skilled craft workers in an industry that is both highly demanding and dangerous.

Here are some simple truths we must face.

- Regulations require employers to reasonably educate, but also to continuously update their employees on all aspects of the activities in which they are expected to engage. Failure to comply with industry regulation is a very effective method for disposing of a company’s hard-earned profits.
- Worker requirements in the construction industry are ever changing. With the advent of technol-

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Workforce Development:

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ogy platforms such as ISNetworld, Owners and Contractors are now requiring proof of or certification based training for other qualifiers for specific job/project consideration. As a result, companies are now requiring credentialed craft and/or management training to qualify personnel for not only advancement opportunities within their own organizations, but also on job opportunities for those outside the organization. Credentialed training offers nationwide recognition and portability of acquired skills that many otherwise legitimate training courses cannot and historically, have not been able to provide.

On the surface, a successful formula for keeping ahead of the curve seems pretty simple since everything is clearly spelled out, right? ... WRONG! Educating the workforce through credential based training, follows a sea of complex rules and regulations from OSHA, DOL, HHS, IRS, etc. Then, add the demands of meeting the budget in an economy that puts more and more pressure on profit margins, maintaining quality control and have absolutely no accidents on the jobsite is a daunting prospect!

Positioning your organization for success has become an uphill battle. To economically overcome these hurdles, workforce development must be carefully planned, highly organized and efficient from a time and cost perspective. When a company assumes the cost paying an employee to attend job-specific training, paying for that training and absorbing lost productivity of that employee as a result, there must be a benefit to recouping that "investment". This is one of the main reasons why credentialing will play such an instrumental role in the way companies develop and retain their workers moving forward.

Innovations in construction based education and training are making it possible for companies to find and hire talented candidates from different age groups and with varied skill sets. These candidates are developed into productive members of the industry. Many credentialed can also be converted into college credits. Apprenticeship programs are also gaining popularity as they offer a blended approach of classroom instruction and practical application of learned skills and competencies. Earnings-conscious employers are realizing the long-term benefits of having their employees take a vested interest in their personal growth and marketability which these apprenticeship programs help to accomplish. Incidentally, apprenticeship programs can and should include credentialed curricula.

The threat of a prolonged workforce shortage is real but does not have to be reality. Given all this,

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Workforce Development:

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there are several questions you need to ask yourself while preparing for the future.

1. What is your plan for educating your employees in a changing industry?
2. How will you keep your company profitable and in regular compliance with increased regulatory enforcement on the horizon?
3. How will your company prepare for the expected drought of available skilled workers?

Answers to these questions are critical to your business survival during a potentially tumultuous period for the construction industry. Again, staying "ahead of the curve" requires advanced preparation/planning and a cogent strategy. The most important requirement is having an educated, compliant, continually developing and stable "bench"/workforce.



HB NEXT Corporation
1255 Lakes Parkway, Suite 385
Lawrenceville, GA 30043
(770) 619-1669
www.hbnnext.com

Mark Hornbuckle began HB NEXT in 1999 as a construction consulting, inspection and training company. Before HB NEXT began, Mark Hornbuckle worked for 20 years with one of largest commercial general contractors in the southeast as a General Superintendent.

HB NEXT offers industry expertise in the following areas:

- | | |
|-------------------------------|--------------------------|
| Safety Services | Software Services |
| Environmental Services | Legal Services |
| Training Services | Utility Services |



Alabama Utility Contractors Association
P.O. Box 383185
Birmingham, AL 35238-3185
Phone: 205-582-9436
Fax: 205-582-9155
E-mail: tim@aluca.org

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

**We're on the Web !
www.aluca.org**

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others in your company. And, if you are
receiving this for the company owner,
please print out a copy for him/her.**

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Training Needs**

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