

## ALABAMA UTILITY CONTRACTORS ASSOCIATION

TIM AYERS, EXECUTIVE DIRECTOR  
JUNE 2015

### **Director's Comments:**



What are your company's most valuable assets? Your equipment, the name and reputation of your company, or the hard working men and women that you employ? It's probably a combination of all of these.

Just as you regularly service and insure the protection of your equipment, and work hard to keep your reputation in good standing, you should also make sure that you are continuously investing in, and protecting your human capital.

As the economy begins to show incremental signs of improvement, what will you do when your valuable workers become a target of your competition? How will you incentivize them to stay loyal to your company and not jump to the next better sounding offer that comes their way? How will you attract the industry's best talent to want to join your team?

Good companies set themselves apart by continually investing in training and education for their workers, as well as providing benefits that sometimes make the company too valuable to leave. Many of you already do this in some form or fashion.

It's expensive to do, but can be worth every penny. I'm reminded of the old story that goes "what if we spend all of this time and money training our employees and they leave?" The response comes back, "what if we don't and they decide to stay?"

Starting in July, AUCA member companies will have access to a new 401k plan designed specifically for Contractors. If you do not currently offer a 401k program for your employees, now may be the right time to consider it. And if you already have an existing 401k, now could be a good time to compare plans. Has your current 401k adviser helped you recently? If not, you need to ask why?

*Tim*

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## A Solution For Employers

### Contractors Retirement Plan Features:

#### Employer

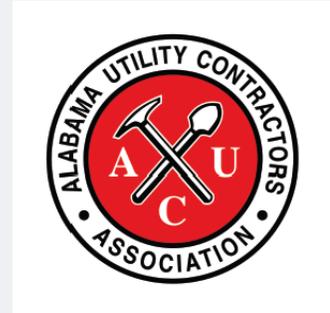
- No cost to employer, no TPA or audit fees
- Fiduciary relief from most 401k liabilities
- Powerful recruiting and retention tool
- Association leadership oversees the plan operation

#### Employee

- Reduced "group" costs on investments
- High focus on *Retirement Readiness*
- Easy enrolling, daily investment changes
- Call center is both live and 24/7 voice response
- Brand name, diverse investment options

#### Plan administrator

- We track eligibility and mail enrollment kits to home address
- Participants call vendor for all issues
- New compliance process eliminates costly errors
- Arduous paper notices mailed by vendor
- Loans, hardship, etc., all handled by vendor!



For more information please contact  
**Linda Smith and Jodi McMahon at  
205-536-9204**

Linda Smith and Jodi McMahon are registered Investment Advisors Representative, with Cambridge Investment Research Advisors, Inc., A broker dealer, member FINRA/SPIC. Cambridge, BenSource Employee Benefits, and AUCA are not affiliates.

## *Clean Water Construction Coalition Report*

Bob Briant—Chairman CWCC

The House and Senate Appropriations Committees have recently approved the federal Fiscal Year 2016 spending bills for the Interior, Environment and Related Agencies. Contained in this measure is FY 2016 funding for the Environmental Protection Agency and the Clean Water and Drinking Water SRF programs. Both the House and Senate measures cut the existing SRF programs by approximately 23%.

Specifically, the House bill provides total SRF funding of \$1.775 billion, \$1.018 billion for the Clean Water SRF and \$757 million for the Drinking Water SRF, which results in a 23% decrease in funding from federal FY 2015 (a 30% CWSRF and 16% DWSRF respectively).

The Senate appropriations measure also cuts the combined funding for EPA's Clean Water and Drinking Water SRFs by 23%, to \$1.8 billion, from current year's spending. The detailed spending amounts for each SRF will be available soon but are expected to be similar to the House proposal.

### **URGENT ACTION IS NEEDED IN ORDER TO AVERT THIS SEVERE CUT**

The Clean Water Construction Coalition will be working with the Senate Democrats to prevent enactment of a federal FY2016 Interior Appropriations bill with these levels. That prevention would force a "Continuing Resolution" that would fund both SRF's at the much higher federal FY2015 levels. Absent a change/increase in the FY2016 proposed funding levels, which seems highly unlikely through the normal process, **Coalition members need to contact their Senators and Representatives and advocate for a Continuing Resolution!**

CWCC members should remind their State Congressional Delegations that the Clean Water construction program was **once funded at \$4.8 billion in the 1970's.** Through the years, the program has already been severely cut back to its current level. The Nation's investment needs in clean water and drinking water infrastructure continue to increase due to the decreased funding levels for these job producing, environmental programs. It is imperative that you urge your representatives and Senators to oppose the House and Senate appropriation bills!





## Legislative News:

### **Alabama Update:**

Final adjournment of the 2015 Alabama regular session took place on June 4th. The Senate adjourned after passing the General Fund Budget. The House concurred with the Budget and sent it to the Governor, who promptly vetoed it and indicated that it was unworkable and does not adequately fund the essential functions of state government. The House then overrode the Governor's veto, but since the Senate had already adjourned, it was purely symbolic and not binding.

As it currently stands, Alabama has no 2016 General Fund Budget. The Governor plans to call for a special session in August where they can all go back to Montgomery and try it again.

While the General Fund Budget deficit garnered most of the headlines, there were some notable accomplishments during the session for the Construction industry including:

- The Alabama One-Call Notification System Study Commission was created to evaluate the need for a single One-Call Center, the adequacy of enforcement provisions, and other items related to the One-Call law that may increase safety.
- As part of the efforts for consolidated government, SB76 passed, which means the Building Commission will now fall under the Finance Department and be known as the Division of Construction Management.
- The controversial Construction Management/General Contractor Bill was defeated.
- The Construction Craft Training Bill which will help provide a statewide funding source for construction skills education was signed into law. This will create an industry board to oversee the money and provide grants for training providers throughout the state using existing community college facilities and other qualified trainers. Skills training will be made available to entry-level workers, as well as current employees of contractors.



## Legislative News:

*Continued from page 4*

- HB62, which updated the definition of excavation in the One-Call Law to reinstate federal pipeline safety grants passed.
- The General Contractors Licensing Board will continue to exist at least until October 1, 2019, and now requires at least one member of the board as a larger part of his or her business to be a subcontractor.
- The Birmingham Water Works Bill passed, and now places the Water Works Board members under the scrutiny of the State Ethics Law, and also makes them subject to the Alabama Open Meetings Act.
- SB50, which would have increased Bid Guarantee Amounts to \$50,000 on Public Works Projects for DOT, or other Awarding Authority, passed the Senate, but failed in the House.



## Recent Events:

### **Tuscaloosa Area Lunch Meeting - June 3rd University of Alabama - Construction Payments & Procedures**



Dr. Lynda Gilbert - Vice President for Financial Affairs and Treasurer for The University of Alabama, along with key members of her Construction Administration team, including Trip Farmer, Tim Leopard, and Tom Love were on hand to discuss the results from a recent review of the University's procedures regarding the policies and payments pertaining to contractors. The group vowed to work towards correcting the problems that were revealed during the review process, and have committed to make working with the University a more streamlined and efficient experience.

### **Phelps Dunbar Open House**

AUCA member Phelps Dunbar recently relocated to the top 2.5 floors of the RSA Van Antwerp building in Mobile. The firm is an anchor tenant of the newly restored property and hosted an Open House on June 24th. Phelps Dunbar committed to a long term lease to occupy office space early in the restoration process to support the revitalization of downtown Mobile.

“Phelps Dunbar has a deep connection to historic Mobile,” said Teeto Graham, Mobile office managing partner. “We feel that moving to the RSA Van Antwerp building represents our identity as a firm – blending new technology and modern design philosophy with a respect for our history.”



*Upcoming Events:*

**3rd Quarter 2015 Local Lunch Meetings**

**Birmingham  
Mobile  
Huntsville  
Tuscaloosa**

*Specific Details for Each Event Will Be Forthcoming*

Please Contact AUCA if Your Company Would Be Interested  
In Sponsoring Any of the Upcoming Meetings

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**October 15, 2015**  
***AUCA Fall Statewide General Meeting***  
***& Sporting Clay Shoot***  
**Lower Wetumpka Shotgun Sports Club**  
**Montgomery, AL**  
**Scheduled Speaker:**  
**Del Marsh - Senate President Pro Tem**

***Mark Your Calendars Today!***



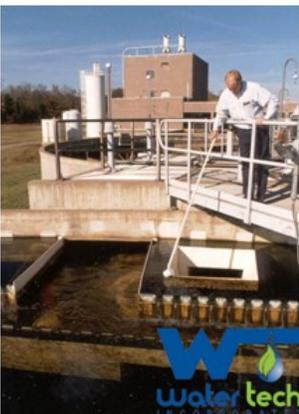


**AUCA MEMBER SPOTLIGHT:**  
**Water Tech, Inc.**

Water Tech, Inc. was founded in 1990 in Fort Smith, Arkansas and currently has a customer base focused in Midwestern and Southeastern states. Water Tech provides full service analytical and technical support for a variety of chemical, biological and mechanical solutions for Boiler and Cooling, Potable Water, Processing Water, Odor Control, and Wastewater Treatment Programs.

Water Tech is a solutions-oriented company that invests time with our customers to fully understand their water quality and the chemical, environmental, and mechanical challenges they face. Our experience in the industry provides the backbone to apply cost effective solutions to keep our customers in compliance.

Water Tech commits itself as a company, to provide knowledgeable and timely consultation for the management and application of water and wastewater treatment programs. You can count on Water Tech, Inc. to:



- Produce treated water from any pretreatment, secondary or complete treatment unit with the lowest possible contaminant levels you select.
- Produce sludge from the mechanical equipment that is high in solids content but low in volume.
- Provide reliable chemical mixing and feed equipment options that are operationally friendly, built from high quality components and easily maintained.
- Use the least amount of chemicals possible to achieve these goals set by you, our valued customer.
- Provide the onsite service required to ensure all products and equipment provided meet or exceed expectations, supported by our 100% guarantee.

Our core business is the domestic food processing industry, but customer demand has enabled our expansion into a wide range of industries in North America including:

- Municipal
- Wastewater
- Potable Water
- Power Generating Utilities
- Petroleum Refining
- Institutional



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## *Fleet Safety:*

*Provided by J. Smith Lanier & Co. Risk Control*

### 1. Safety First - Even On the Fourth

The Fourth of July is America's holiday, and it is just around the corner! Families and friends gather to celebrate our country with food, parades, parties, picnics and fireworks. For many, the celebration may include significant travel. The holiday can quickly go from festive to stressful when you don't prepare for the traffic, impact on your vehicle and other hazards that can have a negative impact on your holiday weekend. Please plan ahead for an enjoyable, fun filled weekend!



### 2. 4<sup>th</sup> of July Alarming Facts

The National Safety Council released their estimate of fatalities from traffic crashes for the upcoming Independence Day weekend (6 p.m. on July 3 through 11:59 p.m. on July 6).

The Council estimates **385 deaths** and an additional **41,200 medically consulted injuries** will occur over this holiday weekend – purely from motor vehicle collisions.

#### Safety Tips on the Road:

- Always wear your seat belt
  - Refrain from any cell phone use behind the wheel – both hands –free and handheld
  - DO NOT DRINK AND DRIVE. If you want to drink, have a sober designated driver.
  - Place children in age-appropriate safety seats, and never leave a child unattended in a vehicle
- estimates 141 lives may be saved during this time period from people wearing safety belts.

### 3. Don't Forget the Busy Traffic



There will be an estimated 35.5 million cars on the road during the holiday, which means road speeds are going to be at a crawl. On average, speeds are about 10 miles per hour slower during Independence Day travel than on typical days.

A smart tip for traveling to local firework shows is to leave about 2 hours before the show starts – depending on its distance from your location. Traffic in most cities gets significantly worse after 8pm, peaking right before the 9 o'clock shows start. Also, you should plan on sticking around for a while after the show. Traffic probably won't return to normal until around 11 p.m.



## *Fleet Safety:*

*Continued from Page 9*

### 4. Prepare Your Car for the Fourth

If you're making a far drive this Fourth of July, make sure your vehicle is up for the challenge. The only thing worse than rain on the Fourth of July, would be a breakdown preventing you from getting you to the party or home. Here are a few ways to make sure your car is ready for your summer travels:

#### 1. Have Your Oil Changed

Keeping your oil clean extends the life of your engine, protecting the critical components and helping to prevent the most common causes of breakdowns. These few minutes at the shop can help your wallet at the pump too. New oil improves lubrication, which reduces the friction that can decrease engine performance and lifespan. When it comes to oil changes, a little effort goes a long way.

#### 2. Have Your Air Conditioning Checked

Hot summers can make for long car rides if the air conditioning isn't working properly. Ensure that your summer travels will be cool and comfortable by having your air conditioning system checked to be sure everything is in working order. Keeping a bottle of coolant will also help.

#### 3. Have Your Brakes Checked

The Independence Day festivities make for some of the busiest roads of the year. With everyone excited to get to their destinations, sometimes accidents happen. One way to help prevent accidents is having reliable brakes that are in great shape.

#### 4. Have Your Wiper Blades Checked

It is crucial to be able to see while driving in bad weather. There is always a chance of hitting some summer showers on your journey during the holidays. It is better to check them and ensure your safety rather than be caught in a storm and unable to see the car in front of you.

*Happy Independence Day*



## News & Notes:

### **City of Birmingham Business License Fees:**

AUCA continues to work with our fellow local construction trade associations to fight the new ordinance recently passed by the Birmingham City Council concerning Business License Fees for Contractors. This ordinance shifts the burden of professional license fees previously collected from multiple professions including doctors, lawyers, accountants, engineers, architects, etc. to contractors. The anticipated annual revenue the City expects to raise off licenses for contractors (residential & commercial) is \$7M.

The new fee schedule, which is set to take effect in January 2016, changes from a flat fee to a gross receipts model and will be based on 2015 revenue. This change will drastically increase the cost of doing business in the city of Birmingham for all construction companies, and even more so for those companies that are based within the city limits of Birmingham. The attempt by Birmingham to collect a fee for work performed outside of Birmingham appears to violate Interstate Commerce laws. However, to get around this, Birmingham officials are saying it's not just where the project is physically located, but where any management takes place (i.e. estimating, project management, accounting and other administrative work) in support of it.

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### **Davis-Bacon Wage Rate Survey:**

The United States Department of Labor is planning a Davis-Bacon Prevailing Wage Rate Survey in Alabama from August, 2015 through February, 2016. The survey will include all counties in Alabama, and cover Highway, and Building and Heavy Construction projects that were active during the time frame of January 1, 2013 - December 31, 2014.

A prevailing rate is not an average, but the rate that appears the most in the sample collected. Therefore, it is imperative that open shop contractors also participate in the survey to provide a realistic picture of wages in Alabama. AUCA will be contacting all member companies regarding opportunities to participate in the survey process.



## News & Notes:

### **OSHA Confined Space Rule Change:**

In May, OSHA issued its final rule on confined space work in the construction industry. Here's what you need to know:

The [rule](#) provides construction workers with protections similar to OSHA's rule for manufacturing and general industry workers which was issued in 1993.

Some differences were specifically tailored for the construction industry, including requirements to:

- ensure that multiple employers share vital information at work sites
- continuously monitor hazards using newly available technology

This new rule replaces OSHA's one training requirement for confined space work in construction with a more comprehensive standard that includes a permit program to protect employees from exposures to atmospheric and physical hazards.

Who is affected by the new rule? Several sectors of the construction industry, including work that involves:

- Buildings
- Highways
- Bridges
- Tunnels
- Utility Lines
- Specialty Construction

Each year, an average of 6 fatalities and 812 injuries occur among construction employees working in confined spaces. OSHA estimates this rule will reduce the average number of fatalities and injured in construction confined spaces by 96% – a total of 785 injuries per year.

To help businesses navigate through the new rule, OSHA has developed a confined spaces [page](#) on its website with resources for employers.

***The New Construction Standard for Confined Spaces  
will Become Effective on 8/3/2015***



## ***Health & Safety:***

*Provided by HB NEXT*

### **Marijuana Policies and Safety: What you Should and Shouldn't Do:**

Two occupational safety and health organizations have issued comprehensive guidelines for companies to navigate the changing environment regarding marijuana in this country and still keep their employees safe. With half of states legalizing medical marijuana and a handful allowing recreational use, companies have been left asking, *How does this impact our drug policy and workplace safety?* The American Association of Occupational Health Nurses and the American College of Occupational Environmental Medicine formed a panel to develop guidelines for companies regarding workplace safety and marijuana impairment. The panel has published a [paper](#) in the April 2015 issue of the *Journal of Occupational and Environmental Medicine* summarizing its recommendations.

The paper points out that the duty employers have to keep workers safe on the job under OSHA's [General Duty Clause](#) may make it necessary to exclude people under the influence of marijuana from certain tasks or from the workplace altogether. Also, employers who fire or refuse to hire employees because of marijuana use aren't in violation of the Americans with Disabilities Act (ADA). However, the ADA does put restrictions on drug testing. Drug tests must be job-related and necessary for business.

### **When Federal Regulations Apply**

Two federal regulations place requirements on employers regarding employees and marijuana. Under U.S. Department of Transportation ([DOT](#)) regulations, marijuana use remains unacceptable for any safety-sensitive employee subject to drug testing, including:

- pilots
- bus and truck drivers
- locomotive engineers
- subway operators
- aircraft maintenance personnel
- transit fire-armed security personnel, and
- ship captains.

The Drug-Free Workplace Act requires companies that receive a federal contract of more than \$100,000 or a federal grant of any size to maintain a drug-free workplace. The DFWA doesn't require drug testing, but it does require employers to:

- publish and distribute a policy
- specify actions that will be taken against employees who violate the policy, and
- provide education in the workplace about the dangers of drug use.

### **Impact of State Laws**

But besides these federal requirements, how do state laws regarding marijuana impact employers? Most states that have legalized medical marijuana don't provide protections for employee use. The exceptions are in:

- Arizona
- Connecticut
- Delaware



## Health & Safety:

- Illinois
- Maine
- Michigan, and
- Rhode Island

The states with approved recreational marijuana use don't provide protections for employees who use it. With more people able to legally use marijuana under state laws, another sticky area has been determining what constitutes impairment. The joint panel is proposing that a serum level of 5 ng/mL (nanograms per milliliter) of THC (the primary psychoactive substance in marijuana) plus THC-OH (the main active metabolite of THC which is formed in the body after cannabis consumption) be used to determine impairment. But serum level alone isn't enough to show impairment. Signs of impairment that have been documented by a supervisor or medical personnel should also be used.

What if, because of state law, employers decide they have to accommodate medical or recreational use of marijuana by employees? The panel recommends that companies follow these guidelines:

- A medical review officer (MRO) should be included (along with legal counsel and a safety professional) in discussions involving individual use of marijuana
- Specific guidelines regarding [testing](#) for both post-accident and possible impairment should be developed and explained to employees
- Blood tests are recommended over urine tests
- Employees should know the ramifications of a positive test
- Medical evaluations should include documentation of state registration for medical marijuana, schedule of use compared to work hours, cannabis form (smoked, edible) used, need for accommodations and anticipated duration of use, and
- The company should assess the risk based on the safety-sensitive nature of the job.

### **Putting it all Together**

Ultimately, when it comes to developing a [drug policy](#) that takes into consideration the changing laws regarding marijuana use, the panel recommends:

- For employees covered by federal regs (DOT, under federal contract), marijuana use is prohibited. In these cases, urine drug screening can be used.
- Employees in safety-sensitive positions must not be impaired at work.
- Employers in or near states that allow recreational marijuana use must establish a policy regarding off-work use.
- To detect impairment, a limit of 5 ng/mL of THC measured in serum or plasma is recommended.
- A medical exam to detect impairment is always recommended.
- Companies should stay aware of changing marijuana laws because, although it appears most states allow companies to continue their drug policies, this could change.
- Employers should have clear policies and procedures for supervisors to follow regarding impairment detection.
- Employee education about drug use needs to be conducted at hire and again at regular intervals.
- Supervisors need to be trained on how to recognize behaviors indicative of impairment.
- In states where marijuana use is permitted, employers should provide educational materials on the detrimental effects of use.



## Reminders:

### **Workers' Compensation Insurance:**

Before you renew your workers' compensation policy, ask your agent to get a quote from CompTrust. Make sure the agent mentions that you are an AUCA member. If you have questions, you or your agent may contact Terry Young from MRM at (256) 504-3288. MRM is the Third Party Administrator (TPA) for the CompTrust fund, and a valuable member of AUCA.



### **Contractor's Retirement Plan:**

AUCA is excited to announce a *NEW* member benefit that can further enrich the value of your membership. Starting July 1st, AUCA member companies will have the opportunity to join the ***Contractor's Retirement Plan***.

Utility Contractors throughout the southeast have banded together to provide an unbeatable 401k plan for their employees. 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
- ***And more!***

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

### **AUCA Member Database:**

We are currently in the process of updating our member database. If your company has changed names, or had any other changes such as a new address, phone #, personnel, etc., please make sure to provide us with this updated information.



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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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