



**Contractors
Association
of West Virginia**



**HARD
AT WORK**

**ANNUAL
REPORT**

2018

BUILDING A BETTER WEST VIRGINIA

FROM THE PRESIDENT



What a difference a year makes! Last year, West Virginia lawmakers were faced with how to fund improvements of the state's roads and bridges. Action was long overdue.

West Virginia's highway system was continuing to deteriorate after years of underfunding. The state went from 14th worst in the country for bridges to fifth worst over a period of just five years, and 84 percent of the surface of our roads were rated "poor" or "mediocre."

As important, West Virginia contractors were bidding work in surrounding states just to keep their employees working.

In 2017, legislators approved Governor Jim Justice's bold initiative to build and fix West Virginia's highway system by increasing funding measures that have set the stage for the state to make billions of dollars in additional highway investments. The funding bills culminate years of work by the CAVW, West Virginians for Better Transportation, and many others.

A key component of the Governor's initiative on highway funding was jobs creation. One year later, we are seeing this vision become a reality.

An analysis by the Associated General Contractors (AGC) of America of U.S. Department of Labor data shows that West Virginia is first in the nation in the percentage of new construction jobs growth between January 1, 2017 and January 1, 2018. During that year, construction jobs in the Mountain State grew by 4,300, a growth rate of 14.4 percent and the highest in the country. This increase does not include the new road projects that have begun this year. Nor does it include the many jobs created by construction workers spend-

ing on cars and trucks, hotels, restaurants, vacations and retail industries, and the many engineering firms that have hired engineering professionals to design and inspect highways.

For years, West Virginia ranked last in the nation - 51st behind 50 states and the District of Columbia - in new construction jobs.

Some of the other factors leading to West Virginia's number one ranking comes from the multiple natural gas pipeline projects that are underway. Many CAVW members are designing and constructing well pads, retention ponds, access roads and water lines. For the first time in years, CAVW members are performing work in the coal fields. Legislators this year approved an \$80 million bond package for improvements at the state's park and recreational facilities, and, for the first time in years, Congress increased funding for water and sewer construction loan programs.

While not every sector of the CAVW membership has seen an upturn in their markets, it's clear that the jobs growth figure is real, as a recent survey of CAVW construction and highway related members confirms. The survey, conducted in late September, shows that 63 percent of members responding have added employees this year. Seventy-seven percent have added between 5 and 25 employees and 23 percent of CAVW members added over 25 employees. The most promising aspect of the survey is that 67 percent plan to add additional employees in 2019.

As West Virginia's economy continues to improve, this will create a ripple effect as companies move to or expand in West Virginia. I firmly believe this will create opportunities for all CAVW members since it will be up to our industry to meet the demand, and increased construction will lead to future economic growth and opportunity for young people wanting to pursue a career in construction.

The CAVW survey also shows that 80 percent of contractors believe it will continue

or become harder to find construction professionals and nearly 60 percent say it will be harder to find skilled craft workers.

Your CAVW Board of Directors believes these shortages pose a significant risk to future economic growth and is creating a new workforce development plan to address the growing problem. Your Board has voted to establish a Workforce Development Task Force to enhance career and technical training programs for construction to put even more West Virginians into high-paying construction careers.

It seems schools don't promote the value of construction trades and career counselors tell students that college is the best way to land high-paying jobs. This has been confirmed in the job fairs the CAVW and our members have participated in this year.

With construction increasing in West Virginia, the CAVW needs to be at the forefront of workforce development to make sure our members have a deep pool of educated employees for years to come. I am confident the CAVW, through our members, has the knowledge and resources that will result in a creative and effective program that will benefit our members and our industry.

The future is an exciting one for our state, the CAVW and our members. I encourage members to become involved in the many initiatives undertaken by the association in building a better West Virginia. Below are just a few successes this year on behalf of our members and our industry.

Sincerely,

A handwritten signature in black ink that reads "Roger Thomas". The signature is written in a cursive, flowing style.

Roger Thomas
President

CAVW ADVOCACY EFFORTS PROMOTE INDUSTRY'S POSITION

The CAVW continues its policy to play a lead role on behalf of our members in state government affairs by professionally and effectively representing the concerns of contractors, subcontractors and suppliers. There were a number of issues in the 2018 legislative session that affected CAVW members, positively and negatively. A positive change this year is West Virginia's budget was passed in record time due to revenues

being above estimates for the first time in a number of years. The administration did not have to reduce spending or cut construction or maintenance programs. Teachers and public employees got a raise for the first time in years and legislators did not have to increase taxes to accomplish this. Bills of importance to CAVW members include:

S.B. 283 modifies the procurement process by state agencies. It is the byproduct of years of review of the state Purchasing Division's rules. The bill includes many items

which have been detailed in CAVW Newsletters to members. The CAVW has always promoted a fair and level playing field for bidders and a number of the CAVW's recommendations were incorporated in the final bill.

S.B. 438 authorizes the Economic Development Authority to issue up to \$80 million in revenue bonds for maintenance and capital improvement projects at state parks and recreational facilities around the state. This section is known as the State Parks Lottery Revenue Debt Service Fund and the

CAWV has been meeting with officials of the West Virginia Division of Natural Resources on best practices for designing and packaging the projects. CAWV members have been successful bidders on many of the projects funded by the new bonding program.

S.B. 561 increases the minimum contract price that requires the execution of a bond with respect to the building or repairing of school property from \$100 to \$25,000. The CAWV sought the change when certain county boards of education were requiring performance bonds on any repair work over \$100, which was current law. The paperwork and cost of the bond many times exceed the value of the work performed.

S.B. 631 updates West Virginia's one-call system to bring it in compliance with federal pipeline safety requirements. Had the state not updated its one-call system, the federal agency could have assumed control and levied thousands of dollars in fines on operators of underground utilities and excavators. The CAWV has a representative on the 10-member Underground Facilities Damage Prevention Board which has the authority to investigate damage to underground facilities caused by an excavator. Contractors who call before excavating will not be subject to fines or violations. Also, this bill does not change the current statute as it relates to who's liable for damage to an underground facility. If underground lines are not marked properly, contractors are not responsible for damaging underground facilities.

H.B. 4628 terminates the nine percent (9%) surcharge on workers comp insurance premiums which are directed towards the Workers Compensation Old Fund Debt, which was created in 2005 when the state's workers' comp system was privatized. Now that the Old Fund Debt is actuarially funded to pay all future claims, H.B. 4628 provides that this surcharge will be eliminated at year end (December 31, 2018). The CAWV was a major supporter of privatizing the workers' comp program in 2005.

Other bills of interest to the CAWV that did not pass this session include:

S.B. 314 was a bill to modify the procedures that govern the selection process for architectural and engineering services on public construction contracts. The bill replaced the single entity negotiations with a competitive low bid process. S.B. 314 would have replaced 5G in WV Code and allowed A/E's to be selected on a cost basis. The bill did not advance past the committee stage.

H.B. 4228 would have required materials, supplies, equipment and other items

purchased by the state and its agencies to be made in the United States. The CAWV has fought against this legislation for years on the grounds that is a costly and unneeded regulation in which contractors would bear the cost and burden of administering. The bill never got out of committee.

CAWV WINS NATIONAL AWARD FOR HIGHWAY FUNDING CAMPAIGN

The CAWV won AGC of America's 2018 Chapter Public Relations Award for its "Fix Our Roads" campaign to increase funding for West Virginia's highway construction and maintenance program. The award was presented to CAWV Senior Vice President Doug Meeks and Vice President Michael Gianni at AGC's awards luncheon held in conjunction with AGC's 100th Centennial celebration in Washington, D.C. Each year, AGC recognizes excellent chapter public relations achievement during the calendar year. The CAWV submitted its initiatives to promote highway funding investment that resulted in Governor Jim Justice and the West Virginia Legislature passing a record-setting funding package in 2017. This is the seventh National AGC award the CAWV has received.

HUB/PAC BACKS CONSTRUCTION INDUSTRY SUPPORTERS

HUB/PAC, the association's political action committee, supports candidates for the West Virginia Senate and House of Delegates who will give the CAWV a fair hearing on those issues affecting the contracting industry. The House will have a new Speaker next legislative session since Tim Armstead decided to run for the West Virginia Supreme Court. Over a third of the House members are new. Senate President Mitch Carmichael will appoint a few new members to his leadership team after November's election. Eighty percent of the candidates endorsed by HUB/PAC were successful in their primary and general election races. The CAWV will be meeting with new senators and delegates to acquaint them with our members' concerns and legislative priorities.

CAWV BRINGS INFRASTRUCTURE MESSAGE TO CONGRESS

CAWV members went to Washington to meet with West Virginia's congressional delegation and discuss issues vitally important to the state's construction industry during the 29th annual CAWV Congressional Fly-In. Four key messages were delivered to elected officials on both sides of Capitol Hill: Fix the Highway Trust Fund; increase infrastructure

investment; complete action on the Federal Aviation Administration (FAA) reauthorization with increased funding levels and lifting the cap on the Passenger Facility Charge (PFC); and funding for the Clean Water Act and the Safe Drinking Water Act. The CAWV Fly-In was held in conjunction with the Transportation Construction Coalition (TCC) conference, which was attended by over 400 construction, engineering, highway and transportation representatives from around the nation.

CAWV BOARD CREATES WORKFORCE DEVELOPMENT TASK FORCE

The CAWV Board of Directors this year created the Workforce Development Task Force to enhance career and technical training programs and to put more young people into high paying construction careers. The Board has committed the association's resources and energies to guarantee a qualified workforce for members in the years to come. The task force is set to work with the state Department of Education and other education-related entities to develop programs that can be implemented statewide in a short time frame.

AGC CELEBRATES 100 YEARS

The Associated General Contractors (AGC) of America celebrated 100 years of the national association's efforts and successes with a Centennial Celebration held at the Ronald Reagan Building and International Trade Center in Washington, D.C. CAWV's leadership participated in the celebration that included a gala attended by 1,300 members, past presidents and former chapter executives. The CAWV has been the state chapter of the AGC of America since 1939. A priority of AGC for next year is The Workforce Development Plan 2.0 that identifies steps federal officials should take to support construction workforce development. The plan also outlines new recruiting steps the association is taking, including launching a targeted digital advertising recruiting campaign and investing in innovative workforce solutions.

ARTBA NAMES NEW EXECUTIVE LEADERSHIP

The American Road and Transportation Builders Association (ARTBA) named Dave Bauer as the new president and CEO. He succeeds Pete Ruane who retired after 30 years of service, the longest leadership tenure in the association's 116-year history. Bauer joined ARTBA in 1997, serving as executive vice president of advocacy and head of ARTBA's government relations team. He played

a key leadership role in the passage of four major federal highway and public transit investment laws: TEA-21 (1998), SAFETEA-LU (2005), MAP-21 (2012) and the FAST Act (2015). Also named was Matthew J. Jeanneret as new executive vice president and chief operating officer. Jeanneret served as the association's deputy chief operating officer and senior vice president of communications and marketing.

NEW SUPPLEMENTAL GENERAL CONDITIONS DEVELOPED

A CAWV Joint Architects Committee task force finished work on the new Supplemental Conditions to the General Conditions of the Contract for Construction to conform to the AIA A201-2017, and the AIA B101 -2017. The task force, which includes contractors, architects, representatives of the Attorney General's Office, State Purchasing Division and various other state owners, met throughout the year to get a document that was amenable to all parties involved. The task force will meet as needed to make changes to the Supplemental Conditions and keep up with changes in West Virginia state law and the evolving construction industry.

CAWV PRESENTS COMMENTS, CONCERNS OVER PROPOSED STORMWATER REGS

The CAWV has voiced its concerns with the General Water Pollution Control Permit, Stormwater Associated with Construction Activities, as proposed by the West Virginia Department of Environmental Protection. The CAWV noted the proposed regulations are a major departure to the current General Permit requirements and have significant cost implications and the potential to delay development and transportation projects. The association also opposes the elimination of the Notice of Intent for projects disturbing 1 to 3 acres, noting that these projects have little to no impact on the waters of the state, but the projects could be held up 60 to 90 days waiting for approval.

CAWV/WVDOH TECHNICIAN AND INSPECTOR COURSES ADDED DUE TO DEMAND

This year the CAWV added three additional sets of Technician Certification Training Courses to meet the demanding needs of the ongoing highway program. The courses, which are provided to help individuals prepare for WVDOH certification examinations required under their Quality Assurance Program, have seen greater demand this year

due to the passage of the "Roads to Prosperity" bond amendment. Thousands of individuals have attended courses in Compaction, Aggregates, Asphalt and Portland Cement Concrete over the last several years. Test comparisons prove that persons who attend the CAWV/WVDOH courses have a higher success rate in passing the exams.

CAWV MEMBERSHIP COMMITTEE LAUNCHES MEMBERSHIP REFERRAL PROGRAM

The CAWV Membership Committee launched the Referral Rewards Program that rewards current members that recruit new members into the association as well as giving the new member a discount on first year annual dues. Members that recruit a new member receive a \$100 certificate for a new Contractor member and a \$50 certificate for a new Associate member, and the new contractor members save \$50 on annual dues and associates will save \$25. Several CAWV members have used their reward certificates to help pay for meeting registrations, golf outings, as well as other CAWV events.

CAWV AND BRICKSTREET EDUCATING MEMBERS TO WORK SAFER AND SAVE ON INSURANCE COST

The CAWV partnership with BrickStreet Insurance provides significant savings on members' workers' compensation insurance costs. The program provides a discount on premiums to contractor members with a three-year loss ratio of 65% or less. The program is also a great resource for safety training programs. In 2018 CAWV members had access to safety training on OSHA hot topics, including Dart Rate explanation, Emod, record keeping, reporting, and OSHA inspections. The seminars were co-sponsored by the CAWV Safety Committee and BrickStreet.

GOVERNOR ANNOUNCES CONSTRUCTION JOB GROWTH AT 39TH ANNUAL EXPO

Governor Jim Justice announced during a news conference at the West Virginia Construction and Design EXPO in March that West Virginia had the highest percentage of new construction jobs in the nation in 2017. Based on an analysis by AGC of America of U.S. Department of Labor data, the Mountain State was ranked number one in the nation with a 14.4 percent increase. West Virginia then led the nation for five consecutive months after the governor's announcement for the largest percentage of new construction jobs.

SCHOLARSHIP PROGRAM AWARDS \$17,000 IN 2018

The CAWV's annual scholarship program continued its mission by contributing a record \$17,000 to seven students pursuing careers in construction. This year's top winner, Thomas Smith, a student at Marshall University, was joined by six other recipients from Fairmont State University, West Virginia University and WVU Institute of Technology.

CAWV STAFF WORKING FOR MEMBERS

The CAWV is pleased to welcome to the CAWV staff Monica Rivera, who is serving as Administrative Assistant. Monica is also working with Rena Moles in the CAWV Planroom and Bid Clearinghouse. Monica joins the association from Kindred at Home as a Care Team Coordinator, and worked at Nedra Enterprises, a company that specializes in erosion and sediment control and bioengineering products. She brings attributes to the CAWV staff that will be of great benefit to members.

Cheryl Clark, who previously served as planroom administrator and was named office manager for APAWV in 2017, has taken on the role as CAWV Office Administrator. She has been with the CAWV since January 2012.

Rena Moles, who served as CAWV staff assistant and office manager for EXPO, has taken on the role of Planroom Administrator and continues to work with EXPO. She has been with the CAWV since January 2016.

Assistant Executive Director Pat McDonald was elected Vice President of the West Virginia Society of Association Executives (WVSAE) during their annual meeting in November. WVSAE is the only association in West Virginia that focuses on serving the state's association management industry. WVSAE has nearly 100 members throughout the state who are involved in association management. Members include executives from various trade, technical, and professional associations. The CAWV congratulates Pat on this achievement.

The North Central West Virginia chapter of the American Society of Highway Engineers (ASHE) honored Executive Director Mike Clowser as its 2017 Man of the Year at its banquet in March. The AGC Executive Leadership Council awarded Clowser with its 2018 Meritorious Service Award. The council, comprised of the 88 AGC chapter executives nationwide, established the award in 2013 as a means of recognizing chapter executives who embody "the highest standard of conduct, innovation and leadership, providing value to contractor members, ELC colleagues and the industry."

