

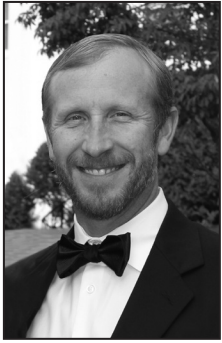


Contractors
Association
of West Virginia

2019 ANNUAL REPORT

BUILDING A BETTER WEST VIRGINIA

From the President



2019 was about the future. In the last few years, the CAVV has been hard at work advocating specific issues to advance the interests of the construction industry in West Virginia. Highway funding legislation, the Roads to Prosperity

bond amendment, amending the funding formula to advance to bid water and sewer construction projects, and policy procedures for school construction and maintenance projects are just a few of the many issues undertaken in the past two years on behalf of our members.

None of this would have been possible without your support. Whether in front of the West Virginia Legislature, School Building Authority of West Virginia, West Virginia Infrastructure and Jobs Development Council, the West Virginia departments of Transportation and Environmental Protection, or the many other funding and regulatory agencies, you have made the CAVV the respected leading voice for West Virginia's construction industry.

The CAVV Board of Directors used 2019 to chart the future direction of the association over the next three years. An organization that is growing and dedicated to sustaining that growth needs a set of strategies to guide its program development, build a solid foundation and prepare for the opportunities and challenges that lie ahead.

Our Strategic Planning Committee met and developed a plan that is a vision of this association's future and the steps required to achieve the desired objectives.

The goals established by the committee include: Increasing membership to keep the association strong in order to vigorously advocate industry issues; grow overall construction expenditures in West Virginia so our members will have expanded bidding opportunities; promote construction as a desired

career path so our members will have adequate skilled workers; and ensure the long-term operational success of the CAVV in order for us to be responsible stewards of our members' investment.

Our Workforce Development Task Force, as you will see below, has been successful in developing a future workforce for our industry. I am very proud of our scholarship program. The CAVV Scholarship Foundation awarded \$16,000 to seven young men and women pursuing the dream of a good education. Past CAVV scholarship winners own or work in CAVV member firms and they are the future leaders of our industry.

Building the future is paramount but the CAVV works every day on key issues that affect our members' profitability and ability to operate in the most efficient manner. In this annual report, you will see the many areas our committees, subcommittees and task forces effectively address on behalf of the construction industry.

The Joint Cooperative Committee between CAVV, WVDOH and FHWA has eight subcommittees which worked on numerous proposed specification changes, ultimately approving changes to 37 standard specifications and 18 project specific special provisions, as well as numerous Design Directives (DD) and 23 Material Procedures (MP). The CAVV has the opportunity to review and comment on each individual specification, and does, because of its impact on members.

The Joint Architects Committee and its subcommittees worked closely with School Building Authority of West Virginia officials on the rewrite of SBA's policy and procedures manual for school construction. The policy dictates how construction projects are administered. Our Building Division members will appreciate SBA streamlining its procedures when working on an SBA-funded school project.

Our Utility Division's Joint Utilities Committee provides a forum for all state and federal funding agencies to work in a coordinated effort to maximize funding for much needed

water and sewer projects in West Virginia. Working together, contractors, engineers and funding agencies have saved taxpayers money by solving issues before they become big problems on the job site.

The CAVV Board of Directors is committed to building upon the services and programs offered by the association to continue our success in the years to come. Our Membership and Program committees, along with the Young Contractors Forum, will provide great networking opportunities for our younger generation of industry leaders. Our Education Committee will begin a series of CAVV webinars on information important to members. Our Legislative Committee will continue to have a strong presence to continue to earn the respect among lawmakers and state agencies which is critical to our success as an industry. Our Workforce Development Task Force will be proactive and creative in order to implement an outreach to ensure we have ample labor in the construction industry now and for years to come. Our Safety Committee will continue to promote safety so every one of our employees goes home safe at the end of the day.

I invite all members to serve on a committee during the coming year. It is there you have a voice on the issues that affect your company and impact your profit margin. One of the key reasons our association is successful is because so many members contribute their time, energy and support.

The future is an exciting time for our state, the CAVV, and our members. I encourage you to take full advantage of upcoming initiatives.

All of us, working together, can build a better West Virginia.

Sincerely,



Douglas P. Meeks
President

ADVOCACY IN THE WEST VIRGINIA LEGISLATURE

The CAVV vigorously lobbies in Charleston to influence legislation that affects our members' businesses. Legislation to fund vital infrastructure projects and advocating for smarter regulatory reforms that allow businesses to run more effectively and smoothly

always top the CAVV's priority list. This year was no different. The CAVV Board of Directors placed a major emphasis on workforce development to create a future qualified workforce for West Virginia's construction industry. Numerous bills were introduced and passed this session that complement the CAVV's workforce efforts, including Governor

Jim Justice's drug treatment program aimed at getting people into the job market by offering training programs. Senate Bill 1, introduced by Senate President Mitch Carmichael, contains a section that establishes clear and efficient pathways that begin in high school and lead to advanced certifications and associate degrees. House Bill 2004 will strength-

an integration between career and technical education programs in public schools and programs at community technical colleges, which could lead to students going to high-demand, high-wage construction jobs.

Water and sewer projects can go to construction more quickly with the passage of S.B. 153. It allows the West Virginia Infrastructure and Jobs Development Council to transfer money from its loan program to be used for grants. The West Virginia Division of Highways introduced S.B. 538 to modify the design-build program to give the WVDOH more flexibility in getting bond projects through design and construction. The bill also limits the total amount of design-build obligation authority so that the majority of the division's program is under the design-bid-build method of construction.

The state School Building Authority presented and got passed its proposed rule changes that will reduce the agency's regulations on projects it funds. S.B. 672 adopted changes that affect six policies for architectural design and construction, including language that greatly modifies the SBA's previous rule regarding the county boards of education use of construction managers.

The CAWV's limestone and sandstone producers never had a defined methodology to determine their annual severance taxes. Past measures to create a safe harbor and a specified severance tax rate did not provide producers any certainty to what their tax liability would be. H.B. 2829 eliminates the severance tax entirely and places West Virginia stone producers on equal footing with producers in Pennsylvania, Maryland and Virginia, states that have no severance tax on limestone and sandstone.

The CAWV continues to advocate for a safe and modern highway transportation system. Additional highway funding was made available in this year's special legislative sessions due to surplus funds in the state's general revenue fund. Over \$100 million in additional funding will be spent on maintenance, bridge and slip repairs.

Defeating onerous legislation is addressed just as aggressively as promoting bills. Legislation negatively affecting contractors that did not pass this year's legislative session include H.B. 2534 which required public construction contracts to include a "Buy American" provision for materials, S.B. 584 which mandated contractors performing work on government contracts to use proprietary software to verify hours worked, and numerous bills that dictated the WVDOH's construction methods and design rather than

relying on sound engineering principles.

CAWV APPEALS GENERAL PERMIT FOR STORMWATER ASSOCIATED WITH CONSTRUCTION ACTIVITIES

On Friday, May 31, the West Virginia Department of Environmental Protection met and agreed to the final terms for settlement of the appeal by the CAWV and Jefferson Asphalt of the WV/NPDES General Permit No. WV0115924, Stormwater Associated with Construction Activities. The CAWV Board of Directors in April voted to intervene into an appeal given the many changes in the 2019 permit from the 2012 permit. The changes were difficult for contractors to comply with and the costs for complying with the new requirements would have been exorbitant. The increased costs would have to be passed on to public owners which could delay the project and increase costs. In the case of a private developer, delays and higher costs could make the project cost prohibitive.

The CAWV sought, and received, a Motion for Stay from the WV Environmental Quality Board (EQB) on April 29 to continue the terms of the 2012 construction stormwater general permit for 60 days to give WVDEP and the CAWV time to finalize an agreement. The agreement on May 31 came after weeks of negotiations with WVDEP officials. In November 2019, U.S. EPA objected to the modifications and the WVDEP and industry are again back at the negotiating table.

CAWV GOES TO CAPITOL HILL FOR 30TH ANNUAL CONGRESSIONAL FLY-IN

On March 23, 1988, West Virginia contractors for the first time traveled to Washington, D.C. to meet face-to-face with West Virginia's congressional delegation to discuss legislation vital to the state's construction industry. May 15, 2019 marked the 30th anniversary of the CAWV Congressional Fly-In which has become a key component of the association's legislative advocacy effort. The 2017 fly-in was canceled due to the West Virginia Legislature being in special session to deliberate the record-setting highway funding bill which eventually passed in June of that year. The Washington fly-in provides an open dialogue with the state's congressional leaders to present the CAWV position before critical votes are taken on issues affecting the contracting industry.

STRATEGIC PLANNING KEY TO ASSOCIATION'S SUCCESS

The CAWV Strategic Planning Committee met this year to chart the future direction

of the association. The association leadership meets every three years to develop strategies to guide our program development and prepare for opportunities and challenges that lie ahead. Growing overall construction expenditures, enhancing career and technical programs to put more young people into high paying construction jobs, increased membership and continued emphasis on financial stewardship will ensure that CAWV is the industry leader well into the future.

WORKFORCE DEVELOPMENT TASK FORCE MAKES GREAT PROGRESS

The CAWV Workforce Development Task Force continues its efforts to enhance career and technical training programs by working with the state Department of Education and other education related entities to develop programs that can be implemented statewide. The task force has been working closely with General James Hoyer and the West Virginia National Guard to develop equipment operator training courses, making several visits to Camp Dawson to offer input on the training and how to make sure graduates are ready to be employed by CAWV members. The Guard was able to move quickly, and in May, graduated the first group of soldiers that were trained to enter the construction industry as civilians.

The task force, with assistance from the Public Relations and Education committees, is in the first stages of developing a website that will act as a "go to" online destination for information on construction careers. The site includes information on training, education, and career opportunities for students, adults and military veterans, and will partner with several other organizations including educators, government officials and West Virginia's construction industry. The website, www.buildwv.com, will provide resources to students, parents and adults interested in pursuing a career in construction, including apprenticeships, education, training centers, and scholarship and funding opportunities.

HIGHWAY JOINT COMMITTEE NETWORK HARD AT WORK

The CAWV/WVDOH/FHWA Joint Committee and its eight subcommittees meet frequently to address a wide range of issues impacting contractors, subcontractors, material suppliers and manufacturers. These subcommittees routinely address construction, design, material and bidding issues. The Specification Committee is the most active and in 2019 worked on numerous proposed specification changes, ultimately approving

changes to 37 standard specifications and 18 project specific special provisions. Changes to the standards specifications will appear in the 2020 Supplemental to the Standard Specifications and include revisions to Divisions 100, 200, 400, 500, 600 and 700.

The Technical Publications and the Materials Procedures (MP) committees were also busy in 2019, reviewing and approving changes to numerous Design Directives (DD's), Standard Details and 23 MP's. Notices for these meetings, as well as all the subcommittee meetings, appear in the CAWV Highway Bulletin.

Three joint task forces were formed in 2019 to devote more time to specific areas of interest, including expediting project finals, work zone safety and surety and digital document issues. The work of these groups will produce enhancements to products and procedures next year and beyond.

JOINT ARCHITECTS COMMITTEE PARTICIPATES IN THE SBA'S POLICY AND PROCEDURES MANUAL REWRITE

The CAWV Joint Architects Committee and its various task forces worked on several issues in 2019 to help improve the building industry in West Virginia. One of the main issues that the committee focused on was the rewrite of the School Building Authority of West Virginia's Policy and Procedures Manual for School Construction. The committee met with SBA officials to provide input on the sections of the manual that affect the construction industry. At the last committee meeting, the SBA announced that the Policy and Procedures Manual for School Construction rewrite was complete and that the document is much easier to work with for all parties involved. The SBA would like to continue to meet with the CAWV Joint Architects Committee SBA Task Force to make sure the manual stays up to date with the latest information possible.

ASPHALT PAVEMENT ASSOCIATION OF WV FUNDS CREATION OF NEW FACULTY CHAIR

A pledge and donations this year from the APAWV will fund the creation of a new endowed faculty chair within the Benjamin M. Statler College of Engineering and Mineral Resources at West Virginia University. The gift will be paired with donations made in 1993 by the association that funded an asphalt technology professorship. Professor John Zaniewski, who has held that position since 1997, announced late last year that he would

be retiring in 2020. APAWV board members voted to pledge additional monies to raise the position from an endowed professorship to an endowed chair. The Asphalt Technology Program in the Statler College exposes civil engineering students to the latest asphalt pavement technology, practices and materials. After fulfillment of its latest pledge, the association's total giving to the college will be \$1 million.

CAWV AND ENCOVA EDUCATE MEMBERS TO WORK SAFER AND SAVE ON INSURANCE COSTS

The CAWV partnership with Encova 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. In 2019, CAWV members that took advantage of the program saved 7.8% on the total cost of their workers compensation premiums. The program is also a great resource for safety training programs. In 2019, CAWV members had access to safety training on trenching and excavation along with OSHA inspections of the project site.

NATIONAL ASSOCIATIONS ACCOMPLISH MUCH ON INDUSTRY'S BEHALF

The Associated General Contractors (AGC) of America is at the forefront of every issue affecting contractors on the federal level. AGC's longstanding relationships with federal contracting agencies and its respect on Capitol Hill are critical components of the association's success. The American Road and Transportation Builders Association (ARTBA) is a trusted information source for transportation infrastructure investment and policy issues. CAWV members serve on their respective boards and committees to guarantee West Virginia contractors have a voice on the national level.

YOUNG CONTRACTORS FORUM HOSTS A NUMBER OF SUCCESSFUL EVENTS

The focus of the Young Contractors Forum (YCF) is to better fulfill the need to cultivate the next generation of leaders in the construction industry as well as in the association. The group hosted a number of educational and networking functions including the YCF Annual Leadership Meeting held at the 2019 EXPO where attendees learned of the importance of association involvement,

as well as generational differences in the workplace. In May, over 100 members and guests gathered for CAWV Night at the Power Park, hosted by the YCF at Appalachian Power Park in Charleston. The annual YCF Toys for Tots Golf Outing held in October was a huge success with a record number of golfers and dozens of toys for the U.S. Marine's Toys for Tots program. The young contractors group also hosted the CAWV Marshall Tailgate which was held before Marshall defeated Western Kentucky at their 2019 Homecoming Game.

WV EXPO CELEBRATES 40TH YEAR

The West Virginia Construction and Design Exposition (EXPO) this year celebrated 40 years of connecting the state's construction and design industries. The first EXPO in 1979 was a small meeting that took place at the Ramada Inn in South Charleston. The event, created by the West Virginia Utility Contractors Association, had 28 exhibitors and 350 attendees. The 40th celebration was held at the new Charleston Coliseum and Convention Center which completed a \$100 million renovation and addition in October 2018. Nearly 5,000 people from over 30 states attended this year's EXPO, which featured 272 exhibitors, 440 booths, 29 honor exhibitors, and 78 seminars which offer free continuing education. The opening session featured Mark Bowe, host of DIY Network's hit show, Barnwood Builders, which is also aired on the Discovery Channel. His presentation, Work Hard, Be Kind, Take Pride, discussed his passion for his craft, the construction industry and his home state of West Virginia.

CAWV STAFF TAKE ON NEW RESPONSIBILITIES

Cheryl Clark has been named CAWV Administrator to better reflect all the functions she does on behalf of members. Cheryl has been with the association since 2012. She also serves as office manager for the Asphalt Pavement Association of West Virginia.

Cassidy Webb was named Communications Director as well as Assistant Editor of West Virginia Construction News. For 82 years, WVCN has been "The Voice of Construction in the Mountain State." Cassidy was included in The State Journal's Generation Next: 40 Under 40. The program was created to celebrate the state's outstanding professional people who are making a difference at work and in their communities.

