

**Joint Engineering Division Board of Directors
Meeting Highlights
May 17, 2007**

Chair Gerry Diloli of Herzog Contracting Corp led the Joint Engineering Division Board of Directors Meeting.

U.S. Army Corp. Engineers – Lt. Col. Craig Kelly: Lt. Col. Craig Kiley provided an overview of the United States Army Corps of Engineers (USACE). There are 9 divisions in the Corps. The South Pacific is the largest division, established in 1866, and headquartered in San Francisco.

The Corps plans, designs, builds and operates water resources projects. The Corps also designs and manages military facilities construction for the Army and Air Force at home and abroad and provides design and construction management support for other Defense and federal agencies. The Corps is also responsible for supporting the Commander and Chief (President), Real Estate, Interagency Support, Research & Development, homeland security, military programs, Civil Works (flood damage reduction), and dredging is a large component of what the Corp does.

All USACE work projects are authorized by congress and financed through the Water Resource District Act (WRDA) account, which is estimated at \$33 billion. Projected funding for Civil Works is \$33 billion, and Military Programs is \$23.3 billion.

USACE significant up coming projects include:

- Oakland/Hamilton, a large dredging project. This project is estimated to bring 8,800 new jobs to the area, \$1.9 billion in revenues and \$62 million in local taxes.
- South San Francisco Shoreline Study. One-third of the area around the Bay is below sea level (about 8 feet) similar to New Orleans. The sea is being held back by salt fields. This project will shore-up sea level restoration. The effects of global warming are threaded into this study as well.
- San Ramon Valley Recycled Water Project Corp.
- Upper Guadalupe River Project.
- Petaluma Projects (mainline railroad approaches).

Hurricane Katrina was a large levee system failure and a big wake-up call for the Corps. California has 20% of the nation's levees and 80% of Sacramento residents are protected by levees.

Caltrans – Rick Land, Chief Engineer, Deputy Director for Project Delivery & Bob Pieplow, Deputy Director for Construction: Caltrans' main focus includes: Efficiency; Customer Service Partnership (responsiveness); External partnership with the construction industry; and the Voters. There are a record number of construction projects in place - 560 projects (\$10 billion) and Caltrans is moving very quickly, and demonstrating to the public that they are accountable, building, and spending the money wisely. The new program is more flexible and allows contractors flexibility to schedule and layout work 55 days after the contract is approved. Caltrans is also making adjustments in insurance requirements and placing emphasis on quick change orders, quick execution and payment, and quick resolution of disputes at the job. They are focused on a renewed emphasis on partnering and are working on enhancing partnering on the jobsite.

Military Stars – Victor Garlington, Vice President of Client Services: Victor Garlington provided a quick overview of Military Stars Organization. This organization cultivates relationships to create an environment of opportunities for Veterans. California has the largest number of veterans in the nation. California received an \$850,000 grant to train veterans and the Governor appropriated an additional \$650,000, which demonstrates the state's comment to training California's veterans. Mr. Garlington promoted the value of the veteran workforce as a means to address the construction industry's projected workforce demands. He stated that veterans have great work ethic and are use to working in stressful environments. The AGC will be sponsoring a DVBE Career Expo on Monday, June 25, 2007 at 9:00 AM, at the DoubleTree Hotel Ontario, in Ontario, CA.

Legislative Update: Dave Ackerman of DGA & Associates provided a Legislative Update: Dave followed up with a legislative report on the current issues at the Capital in regards to the construction industry. These issues included: Air Quality, Illegal Immigrant Employment, Proposition 42 funds, Design Build, Public Private Partnerships, Internet Bidding (new bill), and Labor Industry issues (Meal/Rest Penalty). By fiscal year 2007-2008, \$10 to \$15 billion dollars will be approved by the Governor's Office.

New Proposed SWPPP Regulations, Environmental Resources Manager, Fresno Metropolitan Flood Control District – Daniel Rourke: The Fresno Metropolitan Flood Control District provides flood control and urban storm water services in a 400-square mile watershed located between the Kings and San Joaquin Rivers. Daniel Rourke discussed the Fresno's water quality regulation and proposed changes to the permit and active treatment system. A tentative draft is scheduled to be released September 2007. For more information, visit their website at www.fresnofloodcontrol.org.

California Air Resource Board (CARB) Update: Gary Rohman, ECCO Equipment Corporation, provided an update on the off-road legislation in which CARB is currently working on. Any commercial vehicles with 25 horsepower or greater will be required to have a VDEC mounted on the back of it. Filters and a monitor will also be required. The types of equipment impacted include construction, mining, and industrial. This does not apply to agricultural or forestry operations. This new regulation will require every piece of equipment must have a number, if not; it will be assumed that you have not registered and that you are in violation. CIAQC and AGC are asking for a 5 year extension. The Feds are sponsoring this, and a contractor's, federal funding could be pulled if in violation. If this is approved (est. cost \$3.4 billion), it must be reviewed by Office of Administrative Law. California is the only state that can supersede federal law. Once adopted, any other state can adopt it, and New York has already adopted the ruling although it has not been approved.

Emergency Relief Contractor List: Chair Gerry Diloli provided an update on the proposed Emergency Relief Contractor List. After review it was recommended that an AGC emergency network was not necessary as most public agencies maintain their own contact list.

Next Meeting: The next meeting will be held on October 17, 2007 at the Hyatt Grand Champions in Indian Wells. Any questions relative to the Joint Engineering Division should be directed to the Joint Engineering Division Director Sam Hassoun.

JOINT ENGINEERING HIGHLIGHTS
U.S. Army Corps, Caltrans Representatives
Address Jt. Engineering Division Board in Monterey

Chair Gerry Diloli of Herzog Contracting Corp led the Joint Engineering Division board of directors meeting in Monterey May 17.

U.S. Army Corps Engineers Presentation: Lt. Col. Craig Kiley provided an overview of the U.S. Army Corps of Engineers (USACE). The Corps plans, designs, builds and operates water resources projects. It also designs and manages military facilities construction for the Army and Air Force at home and abroad and provides design and construction management support for other defense and federal agencies, among other things.

Kiley reported on a number of significant upcoming USACE projects, including:

- Oakland/Hamilton, a large dredging project. This project is estimated to bring 8,800 new jobs to the area, \$1.9 billion in revenues and \$62 million in local taxes.
- South San Francisco Shoreline Study. One-third of the area around the Bay is below sea level (about 8 feet) similar to New Orleans. The sea is being held back by salt fields. This project will shore-up sea level restoration.
- San Ramon Valley Recycled Water Project.
- Upper Guadalupe River Project.

Caltrans Presentation: Rick Land, Caltrans chief engineer, deputy director for project delivery, and Bob Pieplow, deputy director for construction with Caltrans, addressed the division board. Caltrans' focus is currently on increasing efficiency, customer service partnership (responsiveness), and external partnership with the construction industry among other things. They reported there are a record number of construction projects in place – some 560 projects (\$10 billion) – and Caltrans is moving very quickly and working to demonstrate to the public that they are accountable, building, and spending the money wisely. The new program is more flexible and allows contractors flexibility to schedule and layout work 55 days after the

contract is approved. Caltrans is also making adjustments in insurance requirements and placing emphasis on quick change orders, quick execution and payment, and quick resolution of disputes at the job. They are focused on a renewed emphasis on partnering and are working on enhancing partnering on the jobsite.

Military Stars Presentation: Victor Garlington, Vice President of Client Services, discussed the Military Stars organization, which cultivates relationships to create an environment of opportunities for veterans. California has the largest number of veterans in the nation. Garlington promoted the value of the veteran workforce as a means to address the construction industry's projected workforce demands. To help promote this resource the AGC is sponsoring a DVBE Career Expo on Monday, June 25 at the DoubleTree Hotel Ontario.

Legislative Update: AGC advocate Dave Ackerman reported on the current legislative issues that impact the construction industry. These issues include: air quality, illegal immigrant employment, Proposition 42 funds, design-build, public private partnerships, internet bidding (new bill), and labor industry issues (meal/rest penalty). By fiscal year 2007-2008, \$10- to \$15-billion dollars will be approved by the Governor's office.

New Proposed SWPPP Regulations: Daniel Rourke, environmental resources manager for the Fresno Metropolitan Flood Control District, discussed the District's water quality regulation and proposed changes to the permit and active treatment system. A tentative draft is scheduled to be released this September. For more information, visit their website at www.fresnofloodcontrol.org.

California Air Resource Board (CARB) Update: Gary Rohman, ECCO Equipment Corporation, provided an update on the proposed new regulations for off-road equipment diesel emissions that CARB is scheduled to vote on in late July. These regulations will have a far reaching effect on the construction industry. Any commercial vehicles with 25 horsepower or greater will be required to have a VDEC mounted on the back of them. Filters and a monitor will also be required. The types of equipment impacted include construction, mining, and industrial. The new regulations will require every piece of equipment must have a number; if not, it will be assumed that the equipment is not registered and the contractor will be in violation, which could result in a contractor's federal funding being pulled. The Construction Industry Air Quality Coalition (CIAQC) and AGC are asking for a five year extension in the implementation of these new regulations.

Prepared by Sam Hassoun, Jt. Engineering Division Director