

## LEGISLATIVE COMMITTEE UPDATE

### Welcome!

July in Sacramento is HOT. But it will get even hotter (ok at least politically!) next month when the legislature returns from this month's summer recess. It will have just four weeks to finish its work before the August 31 deadline.



Todd Bloomstine

And there are still some good construction related bills left in the session. We report in this edition on several including: Senate Bill 465, Senate Bill 661, Senate Bill 954 and Senate Bill 1170. We will continue to monitor these bills and provide updates as they occur.

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## Nuclear Energy Plant Set to Close in 2025

PG&E recently announced that they are closing their Diablo Canyon Nuclear Power Plant in 2025. This is the final nuclear facility in operation in California. This move will end more than a half century of nuclear power history in California.

According to the San Francisco Chronicle, "As part of an agreement with several environmental groups that have long sought to shutter the plant near San Luis Obispo, PG&E will replace Diablo Canyon exclusively with electricity sources that don't pump carbon dioxide into the atmosphere. The company also promised to get 55 percent of its total electricity from the sun, wind and other renewable sources by 2031."

This closure is a fundamental break between past energy policies and future energy policy priorities of the state. PG&E says that much of their energy portfolio will include renewable energy to backfill the power that was generated by Diablo Canyon.

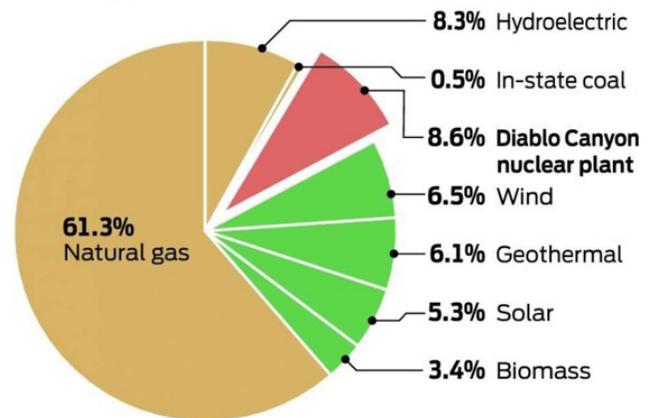
"I applaud the agreement by Pacific Gas & Electric Co., environmental advocates and the International Brotherhood of Electrical Workers to come up with a prudent proposal to shutter California's last nuclear power plant by 2025," said John Chiang, California State Treasurer and 2018 Gubernatorial candidate. "The decision to replace electricity generated by the Diablo Canyon plant in San Luis Obispo County with renewable energy,

such as wind and solar power, is both responsible and visionary. The commitment to boost investments in energy efficiency programs and large-scale storage with high-tech batteries also complements our state's legal commitment to produce half of its electricity from renewable sources by 2030."

For greater details on the Diablo Canyon closure, click [here](#).

### California in-state energy production

Electricity generated in 2014



Source: California Energy Commission

John Blanchard / The Chronicle

# Senate Bill 465 Update

Senate Bill 465 by Senator Jerry Hill (D-San Mateo) passed the Assembly Business and Professions Committee on a vote of 12-0. As you know, this bill is in response to the Berkeley balcony collapse that we have discussed at length here in the newsletter. The developer of the complex was reported to have several tens of millions of dollars in construction defect civil settlements.

## SCCA is opposed to SB 465.

The bill requires contractors to voluntarily disclose information regarding construction defect civil settlements. The weight of this bill hinges on this key component. The measure also requires the Contractors State License Board to conduct a study to gather more information and includes instructions for the Board to “consult with businesses” regarding settlements and the details of those agreements. The challenge with the bill is the faulty assumption that civil settlements are a result of faulty workmanship. This isn’t the case.

Moreover, these settlements are typically governed by non-disclosure agreements, preventing businesses from disclosing any details. There are no public record requirements of disclosure surrounding these types of agreements. Mining this information will be challenging. SCCA continues to remain opposed to this bill.

# Rumor Has It...

Senator Jerry Hill gutted and amended a bill and inserted Dig Alert language.

## Fact Check...

SB 661 was substantially amended in committee the day it was heard on June 22. As you know, SCCA has been very active and influential in the discussions and hearings related to Dig Alert. The new bill contains several key provisions that SCCA has requested over the years including limited immunity for contractors that strike underground utilities due to mismarks and the development of standards for potholing and other best practices. The bill also creates a nine member board consisting of three members from construction, three from utility companies, one from a third party utility marking company, one from a union tied to the contracting industry, and one property owner. We talk more about this bill below.



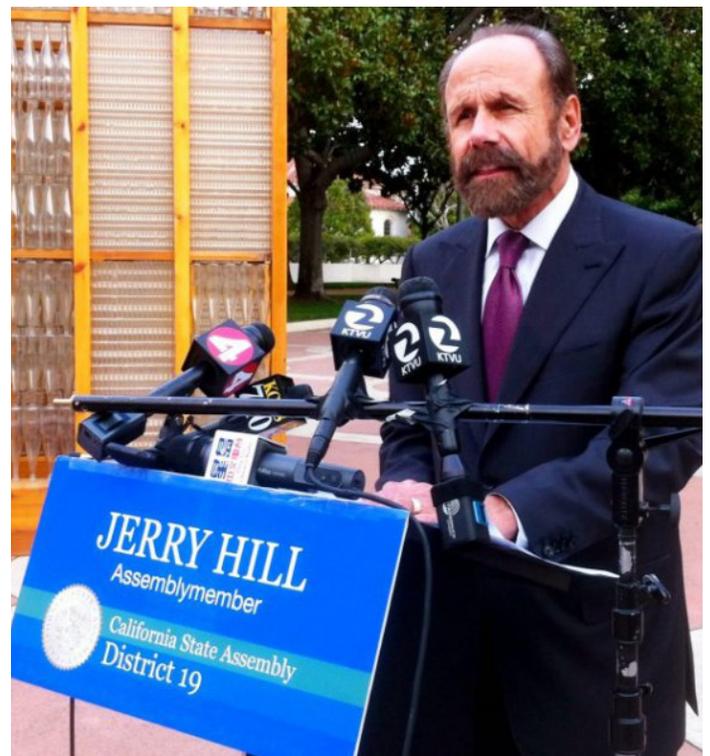
# SCCA Continues to Monitor SB 661

As you read earlier in the newsletter, Senator Jerry Hill (D-San Mateo) has introduced legislation to change the “Call Before You Dig Law.”

One component that we need to pay close attention to is the new board that is being created. SB 661 calls for the board to consist of three contractors, three utility company representatives, one locator (with the locator being paid by utility companies, or 3rd party contractors with utility companies), a representative from workers employed by contractors and a property owner familiar with underground utilities that can come from agricultural, residential or commercial sectors. Both the call centers will also have non-voting ex officio memberships as well.

The Board’s responsibilities are to educate about proper digging practices, oversee regulations governing digging, and enforcement actions. While these are all good goals, we must not overlook the roles, responsibilities, and membership of the board. It has slight advantage to the contracting industry with five votes coming from contractors, contractor employee unions and property owners. Four votes come from utilities and the third party locating industry.

SB 661 passed the Assembly Utilities and Commerce Committee with a 10-2 vote. We will continue to monitor this bill and keep you updated.



State Senator Jerry Hill (D-San Mateo)

# SB 954: Industry Advancement Funds Update

Senator Robert Hertzberg's (D-Van Nuys) SB 954 passed the Assembly Labor and Employment Committee with a vote of 6-1. This is the most recent hurdle SB 954 faces as the bill makes its way through the legislative process.

SCCA has joined with a broad coalition in support of this bill. SB 954 includes provisions as detailed in the bill so that, "per diem wages may include employer payments for industry advancement and collective bargaining agreement administrative fees only if such payments are made pursuant to a collective bargaining agreement to which the employer is obligated."

In its most basic form, SB 954 clarifies a discrepancy in state law that created an unintended loophole. It was used by non-union contractors to create their own industry advancement funds without the consent of workers. Those contributions should be paid to the employee. This bill simply ensures that that loophole is not longer available to the non-union contractor.

We will continue to update you here as this bill makes it through the legislative process.



Los Angeles County Metropolitan  
Transportation Authority (Metro)

## LA County Metropolitan Transit Authority Looks for Funding Boost

In 2008 voters of LA County authorized Measure R, a 30-year, half-cent-on-the-dollar sales tax to fund transportation repairs and reduce gridlock with a \$52.4 billion projected budget.

Recently, Los Angeles Mayor Eric Garcetti touched on this issue in his State of the City address. The Los Angeles Times reported, "[He] highlighted how much a half-cent transit sales tax approved by voters eight years ago is adding to the regional economy — an expected \$80.7 billion over three decades. And that doesn't include the \$120 billion in direct spending in transit projects if voters agree to a 1-cent transit sales tax measure proposed for the November ballot."

This additional 1-cent sales tax is being called R2, and is an extension of the original Measure R passed in 2008. Two-thirds of Los Angeles voters will need to approve R2 for the sales tax to go into effect. City leaders tout that these measures will not only inject billions into the local economy, but project the addition of over 400,000 jobs in an area that continues to struggle with joblessness. Keep an eye on the November ballot to find out if R2 receives approval.

## Stormwater Pollution Prevention Plan Update

Senate Bill 1170 by Senator Bob Wieckowski (D-Fremont) requires public agencies to design, development, and execute Stormwater Pollution Prevention Plans (SWPPP) to manage discharges of pollutants from construction sites. Currently construction contractors are asked to develop the specifications.

By virtue of removing one of the requirements for construction contractors, SB 1170 technically removes the liability associated with SWPPP design work. Contractors will, however, still be required to implement and execute the plan. Penalties for the negligent practice of the SWPPP plan are significant.

This bill passed the Assembly Local Government Committee on a 6-2. SCCA is in support of this measure and will work to help its passage.

Need to talk to us?

We're listening....



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