MAGAZINE OF THE ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA

March/April 2016

CALIFORNIA CONSTRUCTOR

AGC CALIFORNIA

Special Focus: Risk Management & Insurance

Also Inside:

- Specialty, Associate Members Helping Shape AGC & Industry
- Meet 2016 AGC of California President Jaimie Angus

CALIFORNIA CONSTRUCTOR

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Griffith Company built the $80 million sbX E Street Corridor Project in San Bernardino - one of countless jobs the company has constructed in more than a century in business in Southern California. Griffith President Jaimie Angus carries on a long company tradition by assuming the top leadership role at AGC of California in 2016. Turn to page 8 to read the article.

Managing Risk & Insurance Costs

When it comes to cost drivers in competing for construction contracts, the cost of insurance is one of those areas in which contractors want to see predictability. All insurance is not created equal, and it depends on a variety of factors across multiple lines of insurance.

The good news for 2016 is that it doesn't appear that there are any "price spikes" in a particular line of insurance; however, the contractor needs to remain ever vigilant to manage their insurance costs.

Workers' compensation is one of those areas where costs can get out of control if not managed properly. California is generally a high-cost state in which to do business. Workers' compensation rates compared with the rest of the nation are higher. This year, there is likely to be a mixed bag on rates; however, the variation should not exceed a few percentage points. According to one insurance report "combined ratios for workers' compensation carriers continue to improve," although we are seeing a continuing trend toward litigation and disputes over medical treatment and the overuse of opioids (pain killers), which are driving up workers' compensation costs.

With this year being an election year, we are likely to see legislation to increase workers' compensation benefits, as well as legislation to loosen up existing system controls. Governor Brown generally has been a very good steward of holding down state costs. He also has a track record of vetoing workers' compensation bills that needlessly expand benefits. Should legislation manage to pass the legislature, that is not a product of a compromise with the employer community, it would stand a fair chance of a veto.

In the property and casualty area, it appears that 2016 will be slightly flat, or potentially show a decline in rates. This is an area where insurance rates are likely to be more competitive. Like workers' compensation insurance, it is also dependent on incident rates. How a contractor manages their risks overall from one year to the next can make a big difference.

Insurers are becoming increasingly savvy about managing high volumes of data to assist them in their underwriting practices. Data is power for any carrier today. Contractors need to become increasingly sophisticated about how they manage their own claims and determine trends and ways to avoid incidents.

Safety programs have been a cornerstone of all AGC contractors for many years; however, with the advent of increasingly sophisticated data analytics, contractors now have the power to shape their future costs without entirely being at the will of the marketplace.

The AGC Safety and Health Council has worked tirelessly to protect and educate our employers about the benefits of a strong risk management program. For many of our member employers, the success of their risk management program has added to their profitability and employee health. Our package of insurance partners has further added value to our employers, but as stated above, this work is never done, as new legislation is always a threat to premium costs with no relative value to the employer or employees.

Thomas T. Holsman

Tom Holsman
CEO, AGC of California

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New Legislative Leaders Take Charge

By Dave Ackerman

As we move into the 2016 legislative year – to coin an old Bob Dylan song – "The Times They Are A-Changin" – and three of the four legislative leaders are new to the job. Senate President Kevin de León is now the "dean" of the legislative leadership, having been elected as Senate Leader by his colleagues in 2014 just two years ago. But de León is termed out in 2018 – so more change is in store for the future.

Here is a look at the 2016 legislative leadership.

The Senate

Kevin de León (D-Los Angeles) is the first Latino elected President Pro Tempore of the California State Senate in more than 130 years, replacing Senator Darrell Steinberg in 2014. De León's priorities are higher education, and combating climate change while building a low carbon economy. Long before arriving at the legislature, de León dedicated himself to public service and served immigrant communities through teaching U.S. citizenship courses.

Kevin de León

The work led him to community organizing and taking a stand against 1994's Proposition 187, a voter-approved statewide initiative that denied government services to undocumented immigrants. De León credits his immigrant mother for teaching him the nobility of a hard day's work and a shared obligation to build a brighter future for the next generation. He was the first in his family to graduate from high school, later earning a degree with honors from Pitzer College in Claremont, CA.

Commenting on this year's budget proposal from the governor, de León said, "This budget reflects historic investments in our children's education that will make a tremendous difference. But we still have to take a closer look at strengthening our healthcare system for the poor and developmentally disabled that has been starved for far too long."

Jean Fuller (R- Bakersfield) was elected Senate Republican Leader last year, replacing Senator Bob Huff, and assumed the leadership position in August 2015. Fuller was first elected to the State Assembly in 2006 and then to the Senate in 2010. She is held in high regard by the California Chamber of Commerce for her strong opposition to job-killer bills and commitment to small business.

Jean Fuller

Much of Fuller's career in the legislature has been focused on improving California's economy through commonsense reforms and smart fiscal policies. Investments in infrastructure and natural assets are two of her priorities.

A California native, Fuller was born in Bakersfield and earned her PhD from the University of California at Santa Barbara. During much of her career, Fuller served as the Superintendent for the largest K-8 school

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district in the state with 28,000 students, managing 3,500 staff, and administering annual budgets of more than $100 million – all great experience to bring to Sacramento.

She outlined her republican priorities in her comments on the Governor's 2016 state budget saying "Governor Brown's record-setting budget proposal proves that California doesn't have a revenue problem, and our state's priorities can be funded without extending or raising taxes… We can't take our roads and water delivery system for granted and must address these fundamental needs that are in distress."

The Assembly

Anthony Rendon (D- Lakewood) was elected the 70th Speaker of the Assembly in January and just assumed his new duties this March, replacing Assembly Member Toni Atkins. He is third-generation Mexican-American, the grandchild of immigrants who arrived starting in the 1920s. He grew up in Southern California and attended local colleges and universities.

Anthony Rendon

During his first term in office, Rendon chaired the Water, Parks and Wildlife Committee and authored Proposition 1, the $7.5 billion state water bond supported by AGC, which voters passed by a wide margin in the November 2014 election. In addition to the water bond, Rendon passed bills on a wide range of topics reflecting his interests in early childhood education and the environment.

Rendon describes himself as a "deep thinker" and has no trouble finding the philosophy section of the Last Bookstore in downtown Los Angeles that is wedged in the back of the shop. It started with Plato, who in chapter one of "The Republic" asked a provocative question: What is justice?

"I never really cared about the circumference of a circle or who started the War of 1812," Rendon said. "But if you're asking what is justice or what is truth or what is beauty, that seems pretty important to me." Philosophy held the same appeal to Rendon as the punk music he listened to in high school; it was about stripping the world down to the essential elements.

Rendon's time in Sacramento coincides with a moment of enormous transition in the Capitol. He was part of the first class of legislators elected under longer term limits that enable tenures of up to 12 years in either chamber.

Chad Mayes

Chad Mayes (R- Yucca Valley) was elected Assembly Republican Leader last August, replacing Assembly Member Kristin Olsen. Mayes is in his first term in the Assembly, elected in 2014. He was elected under the term limits approved by voters in 2012 so he can serve up to 12 years in either house.

Before his election to the Assembly, Mayes was a member of the Yucca Valley Town Council, where he was first elected in 2002 then re-elected by wide margins in 2006 and 2010. He has also worked as a financial advisor.

Mayes was twice chosen by colleagues to serve as Mayor. As Councilman and Mayor he helped deliver a balanced budgets without tax increases. He is a strong advocate for shifting power away from state and federal government and back to local communities, an approach he will continue to champion in the State Assembly.

Describing his caucus as "future-oriented," Mayes vowed that Assembly Republicans would have to continue to innovate to keep up with California's changing economy and demographics. At the same time, he sounded a traditional Republican note touting "limited government and low taxes," arguing such a message would appeal to Californians seeking a better quality of life. ■

AGC Hires Kate Mergen As Director of Governmental & Regulatory Affairs

AGC of California recently hired Kate Mergen as the Director of Governmental and Regulatory Affairs. She takes over the position from John Hakel, who left AGC on January 8 to pursue new opportunities with Partnership for Jobs in Southern California.

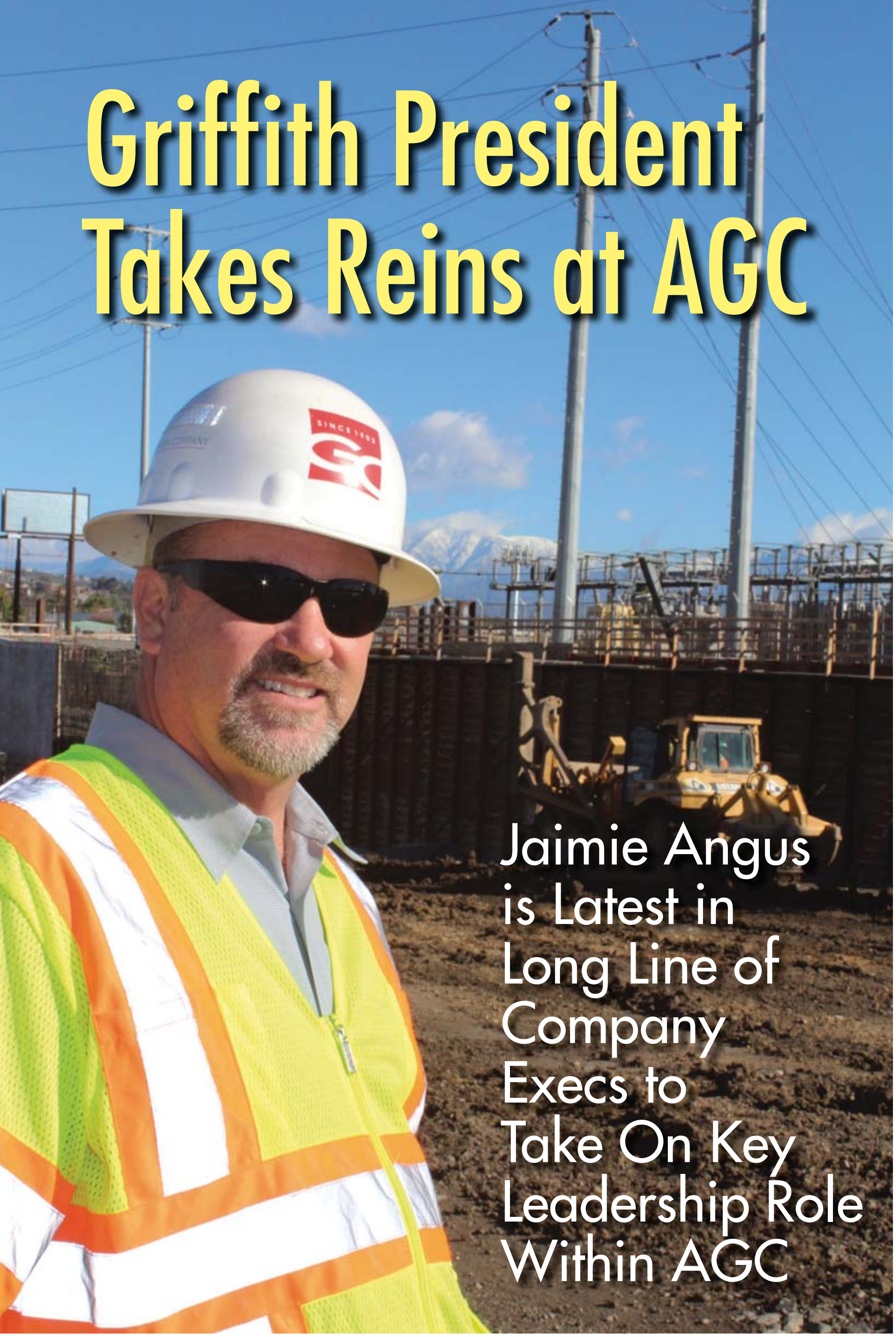
A longtime AGC employee and colleague, Hakel worked for AGC more than 30 years. He has been a valued part of the association's success in the legislative, legal and regulatory arena, and his new position will prove to be an immense step for the industry and a positive affiliation for AGC.

Mergen plans to continue Hakel's work, taking over Government Relations responsibilities at AGC and assisting Dave Jones in the Regulatory division. She comes to AGC with a background in association work, having previously held the position of Executive Vice President of the Southern California Contractors Association.

Mergen is working out of the West Covina office. She can be reached at mergenk@agc-ca.org or (626) 608-5800.

Griffith President Takes Reins at AGC

Jaimie Angus is Latest in Long Line of Company Execs to Take On Key Leadership Role Within AGC



By Carol Eaton

AGC of California President Jaimie Angus is the third generation in his family to pursue a career in construction, following in the footsteps of his father and grandfather who worked in the industry.

Over the past 27 years, Angus has played an integral role at the Griffith Company in Brea. He helped grow the company from one that was primarily focused on paving and grading when he came onboard in 1989 into the much larger, more diversified heavy construction company that it is today.

In 2016, he will apply his experience and knowledge of the construction industry to lead AGC of California, the state's largest construction association. Angus plans to continue the work begun in recent years by AGC leadership with special emphasis on increasing the association's membership, its diversity, and the level of participation by new and existing members.

"Greater participation is key to continuing as the leading voice of the industry," he says. "We want our association to be proactive for change and not just reactive for protection of our industry. Prompt payment, working to grow our transportation funds, and combating over-zealous regulatory measures are just some of the areas we'll continue to work on."

A Company Rooted in Industry Leadership

Angus joins a long line of executives from Griffith Company that have stepped up to lead AGC at the state and national level dating back to the association's founding in 1920. That included two Griffiths who led the Southern California Chapter in 1934 and 1951 (before AGC of California became a single entity in 1969); George Griffith, who was 1974 AGC of California President; former Griffith Chairman Jim Waltze, who served as AGC of America President in 2004; and Griffith CEO Tom Foss, who was AGC of California President in 2009.

"Our philosophy at Griffith, instilled in everyone at the company, has always been that you need to give back to the industry to make it more vibrant for the future," Angus says. "But it takes all of us as members and industry leaders to make things happen for the betterment of our industry."

Active in AGC since the early 1990s, Angus first got involved with the association in the Orange County District at a time when people such as Al Landes, Ralph Larison, Bob Pesavento, and Leonard Savala were modeling what it meant to be involved and make a difference. "There was a lot of passion about making a difference and fighting for our industry," he notes – a passion for involvement he hopes to encourage within AGC this year.

"My number one goal at AGC is to get more current and new members involved and participating," he adds.

Construction Career Not the Original Plan

Even while Angus built strong credentials and carved a solid career path in the construction industry over the past quarter century, that wasn't his original plan. His initial career choice after high school was aerospace engineering – a market sector that his father, Buz Bailey, aptly pointed out was even more cyclical than construction.

And that proved true. When Angus graduated from San Diego State University with a Bachelor of Science degree in aerospace engineering in 1989, it coincided with a major downturn in the aerospace industry. Three key aerospace companies, Boeing, General Dynamics, and Rohr Inc., were moving out of Southern California at that time.

Griffith Company is building the $106 million Berth 142/143 Backland Improvement Project at the Port of Los Angeles.

Having grown up in the region and having an affinity for surfing and the warm Southern California weather, Angus had no intention of leaving.

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The $24 million Valley View Grade Separation project in the City of Santa Fe Springs was another recent Griffith job.

Construction was in his blood, in any event. His father was working at and ultimately retired from Griffith Company as a superintendent, and Jaimie had also worked at Griffith in the summers during college as a laborer. So, when then Regional Manager and current CEO Tom Foss asked him to join Griffith full time in the estimating department, it was an offer too good to pass up.

Twenty-seven years later, it's a decision he's never regretted.

Angus says his educational background in aerospace engineering – a multi-disciplinary degree that requires civil, mechanical, and electrical engineering training, as well as knowledge in working with fluids – overlapped nicely with the demandsof heavy construction projects.

Growing and Diversifying Griffith

Promoted from estimator to Griffith's Los Angeles office District Manager in 2000, Angus helped grow that office's revenues from $22 million to about $60 million in just three years, and to $100 million by 2009.

"I never had a fear of complex projects, so we started bidding some airport and port projects that helped drive our growth," he points out. "Before 2000, the largest project that Griffith ever built was $36 million. By 2002, our largest project was $72 million."

He was promoted to Executive Vice President in 2010 and then to company President in 2014 when Foss moved up to become CEO. As President, Angus is responsible for overall company operations in Griffith's Bakersfield, Montclair, and Santa Fe Springs offices, as well as five separate divisions in its Brea office.

He parlayed his technical knowledge and an inclination for hard work and tough jobs to help Foss and others grow Griffith Company into one of Southern California's largest public works contractors, with 2015 revenues of around $325 million. Among Griffith Company's major recent and current projects are the $106 million Berth 142/143 Backland Improvement Project at the Port of Los Angeles; the $24 million Valley View Grade Separation project in the City of Santa Fe Springs; the $80 million sbX E Street Corridor Project in San Bernardino; and current joint venture projects with Coffman

Griffith constructed the $80 million sbX E Street Corridor Project in San Bernardino.

Specialties Inc. at Los Angeles International Airport totaling almost $200 million, to name just a few.

Hard Work, Mentorship Pay Dividends

Jaimie Angus' affinity for hard work has also served him well in an industry where long hours and pending deadlines rule. He attributes his strong work ethic to his father, a lifelong mentor who had a major influence on his life.

"At a very young age I worked for him and he taught me you have to work hard," says Angus. "He just continually instilled in me that you should try to work 10 percent harder than anybody else and you will climb to the top. At the end of you day, if you're in the field, take the time to pick up the trash on your way back to your truck. If you're in the office, make two or three more phone calls before you go home. Just do that little extra every single day to make a difference."

Another mentor was partnering guru Chuck Cowan, who took Angus under his wing and introduced him to other contractors in the area, where he would sit down and talk about the right way of doing business, how to financially see a company through a large growth spurt, and more.

"Mentorship is huge; I truly believe in it," Angus says. It is encouraged at Griffith Company, and he sees major application for mentorship at AGC between new and more established members to grow various facets of the association like the Construction Leadership Council, Student Chapters, and within various committees and councils among other areas.

With a full agenda for 2016, Angus will be busy with the leadership of AGC and Griffith Company. In his personal time, he continues to enjoy the Southern California lifestyle and, though there's not nearly as much opportunity these days, he still enjoys surfing, ocean fishing, and snowboarding.

Angus also enjoys spending time with his kids, daughter Sara (28), Taylor (24), and Nicholas (16), as well as three grandkids: Arnoldo, Gus, and Beckett. Serving with Angus as AGC of California First Lady this year will be Cheryl Weiler.

"I look forward to serving this year and meeting each and every one of our members," Angus said as he reflected on the year ahead. "I hope they all will join me in making our association the best it can be." ■

Creating a Lean ERM Process

By John Watras, Zurich North America

In today's unpredictable business environment, organizations turn to enterprise risk management (ERM) as a strategic approach to manage risks. Developing an ERM process is most often discussed in the context of a large multinational corporation, including large construction companies, where operational and people risks can span a range of product lines and geographies.

So, it's natural that many small to mid-sized general contractors may have overlooked this strategic approach because it appears too complex and unwieldy for their needs. Many may assume that the process will be too time-consuming to implement or don't know how to take the first step.

However, this thinking appears to be a case of the proverbial "throwing the baby out with the bathwater." That's because the basic concept of an ERM framework — the discipline of identifying, organizing and creating an action plan for managing opportunities and risks — is an approach that can benefit general contractors of all sizes. In fact, the argument can be made that smaller and mid-sized general contractors need ERM more than larger ones, since even a single risk that results in financial or reputational damage can be more difficult and even impossible to overcome.

ERM Manages Construction's Growth Opportunities

Over the last several years, the construction industry has benefitted from strong growth, outpacing many other industries and the economy overall. It's estimated this positive growth will continue into 2016, according to the Dodge Construction Outlook, which recently predicted that total U.S. construction starts for 2016 will rise 6 percent to $712 billion, following gains of 9 percent in 2014 and an estimated 13 percent in 2015.

However, a strong business environment can bring more risks. While projects may now be easier to get for general contractors, this is also the time when oversights in labor, contracts, materials, and backlog can turn a profitable situation into a bottom line loss. An established ERM framework can assist general contractors in determining the associated risks that come with an increase in project volume in 2016 and future years. It should be designed to help the organization evolve with changing market conditions, leverage emerging opportunities, anticipate surprises, and recover from any disruptions.

Creating a "Lean" ERM

As previously discussed, many small and mid-sized general contractors do not need the robust ERM process that large national or multinational firms may need, as they are typically more locally or regionally based. A more streamlined or "lean" ERM framework can provide general contractors with the benefit of a consistent and ongoing assessment of their risks which is focused more tightly on where these risks are most likely to occur. It is important to note that owners and top managers should be at the table together when identifying and prioritizing risks, and determining who will have the responsibility for controlling them throughout the organization.

As one of the largest insurance providers in the construction industry, Zurich has worked with various sizes of construction companies in creating an ERM framework. For a basic starting point, Zurich uses this 4-step ERM framework with our construction clients:

- **Step 1: Identify and Prioritize Risks**
  Identify the external and internal risks and prioritize risks by levels (high, medium, low is a common ranking).
- **Step 2: Create An Action Plan**
  High-risk areas should be given top priority, and plans should address how to control for weaknesses and to mitigate losses. Assign personnel responsibilities and a completion date for each risk.
- **Step 3: Outcomes**
  Determine the appropriate reporting timeline on each of the priority risks, whether it is weekly, monthly, or quarterly.
- **Step 4: Management Reporting and Continuous Feedback**
  Report outcomes to owners and key managers. ERM is not a one-time exercise, but a dynamic and continuous process for organization-wide improvement.

A full-up ERM framework for larger construction firms typically assesses four main risk areas – strategic, operations/people, financial, and market. For small to mid-sized contractors, Zurich recommends a lean ERM that focuses on operations/people which is the area with the most frequency of risks: subcontractor pre-qualification and management, quality management, materials, contracts, labor and backlog.

Risk Areas to Examine in a Lean ERM

Any successful ERM process starts by thoroughly identifying and prioritizing risks as outlined in Step 1 above. A focus on the operations/people area of the business should, among other areas, include a deep dive into:

Subcontractor pre-qualification and management process

- Does the subcontractor have the financial capacity and technical ability to complete the work on time and on budget?

- What is the quality and consistency of their workmanship?
- Is the subcontractor experienced in the type of work and in the geographical area?
- Do the subcontractors have the proper certifications and licenses?
- What type of safety programs do they have in place?

Quality management

- Are the high-level project members accountable for quality?
- Is there a formal QA/QC manual?
- Do they have documented quality inspections?
- Are there formal record retention protocols with photo documentation?
- Is there initial training on quality implementation?

Materials

- Are the right materials being sourced?
- Are vendors available?
- Are quality control/assurance procedures in place for vendors?

Contracts

- Are owners asking you to take on liabilities such as onerous terms or conditions?
- Are you asking subcontractors to take on additional risks?
- Has the contract been signed and formalized before work is begun?
- Has an annual contract review process been established?
- Does your contract language indicate that safety programs are being met or exceeded?

Labor

- Do you have enough personnel to take on the backlog?
- Any there special skills required to take on the work?

Backlog

- Are you at risk for taking on more work than you can handle?
- Do you have the ability to expand or contract operations as needed?
- Will your staff be overburdened or have too much inexperienced project management?

Clarity for the Future

An effective and focused ERM framework can provide a general contractor with a clear picture of its overall risk exposures, and can improve firm-wide understanding of its ability to control the risks. A "lean" ERM framework can result in a more efficient use of people and financial resources, and can help a general contractor avoid having to manage the same risks again in the coming years and with future projects. ■

John Watras is Vice President of Middle Market Commercial Contractors for Zurich North America. Zurich American Insurance Company can be reached at (800) 382-2150 or online at www.zurichna.com.

'Prior Work' Exclusion Shifts Risk Back to GCs

By Bob Mahan and Jessica Schellentrager – Mahan Insurance Brokers Inc.

In the placement of one of our contractor clients, we were perplexed to discover that one of our new promising liability markets mandates a "prior work" exclusion on all of their California contractor new business. Our agency as a matter of business practice will not accept heinous exclusions such as "prior work," "action over" or "earth movement" for any of our clients under any normal scenario.

These exclusions open up contractors to unnecessary financial loss for occurrences that can be covered by insurance. Unfortunately, not all agencies realize or see the dangers that lay in such exclusions, and we have seen them lurking on policies provided for review more often than we would like.

One would think it a serious breach of duty for an agent to place such limitations on a client's balance sheet. Sadly, the California appellate courts think otherwise. In the case of *San Diego Assemblers v Work Comp for Less*, in 2014 the California court ruled that there is no such responsibility upon the agent unless "the broker assumes an additional duty by either express agreement or by "holding himself out" as having expertise in a given field of insurance being sought by the insured." In this example, a prior work exclusion left Assemblers holding the bill after a building explosion while two carriers and the broker were simply allowed to walk away.

Courts Resolve Broker from Liability

In another recent appellate case from 2013 the courts absolved a broker from liability with this ruling:

…"*[i]nsurance brokers owe a limited duty to their clients, which is only 'to use reasonable care, diligence, and judgment in procuring the insurance requested by an insured.' Accordingly, an insurance broker does not breach its duty to clients to procure the requested insurance policy unless (a) the broker misrepresents the nature, extent or scope of the coverage being offered or provided…, (b) there is a request or inquiry by the insured for a particular type or extent of coverage…" (Pacific Rim Mechanical Contractors, Inc. v. Aon Risk Ins. Services West, Inc. (2012)* 203 Cal. App.4th 1278)

In the above determination we find that it takes almost an active act of negligence or certain level of self-proclaimed expertise before an insurance broker will be held accountable for a deficient policy. There is no implied contractual duty placed upon the broker to provide more than what the client has asked for, as the case continues to state.

The courts are not likely to change their stance any time soon when it comes to regulating GL policies with a prior work exclusion.

Again, referencing what the court stated in the *Assemblers v Work Comp* case: *"As we explained in Pacific Rim, balancing these types of considerations is properly the function of the Legislature, not the courts. If imposing a broad duty on brokers to affirmatively determine and procure insurance to meet an insured's coverage needs, or mandating prior completed work coverage in all contractor general liability policies, 'is in the interest of the public…, the people of California, by initiative or through the Legislature, can create that duty….'"*

No Universal Broker Standards

While our agency would hold that it is our duty to provide the best coverages possibly to our clients and to clearly explain the risks associated with lesser coverage, the State of California will not at this time mandate this high set of standards for brokers across the board.

The courts have made it clear that each contractor should take the time and care to review their policies thoroughly. There are many agents as well as third part risk management professionals who are able to provide this type of service. Not only are they able to review your current or renewal insurance policies, but they can also review your entire safety program, from contracts to company policy.

What Can the Contractor Do?

Taking on a qualified, full-time safety manager or contracting with a third party risk management firm may not be the right solution for every contractor. However, there are ways to begin vetting your insurance professional. Look for brokers who have designations such as Esq., CPCU, or Construction Risk Insurance Specialist (CRIS®) designations, and an AGC membership is highly recommended. These types of certifications indicate that the broker has taken commercial or construction insurance seriously. Remember, a broker can be merely an order taker, or they can go that extra mile for your company.

By understanding what you're getting in all your insurance contracts, you're taking an important step to minimize your company's exposure and risk and ultimately, to protect your bottom line or very existence. For advice on any of the above issues, contact your qualified AGC member broker or lawyer, or feel free to contact Mahan Insurance anytime with questions. Bob (949) 279-9937 or Jessica (714) 389-9450. ■

Bob Mahan, Principal of Mahan Insurance Brokers, Inc., Newport Beach, CA, is a registered engineer and a member of the California bar. He is a Past Chair of the AGC Legal Advisory Committee and served on the committee that drafted the new Standard Form Subcontract. Jessica Schellentrager, Account Director at Mahan Insurance, is a Certified Construction Insurance Specialist (CRIS ®).

Forging Links with General Contractors

By Claire Koenig, AGC Regional Manager, Bay Area Region

John Gutierrez of Marina Landscape Inc., Chair of the AGC of California Specialty Contractors Council, aided by AGC Regional Manager Claire Koenig, center, led the Council meeting on January 29 in Long Beach.

Specialty contractors represent a significant and distinctly different segment of the overall construction community and economy. According to recent statistics compiled by Wells Fargo Economists, specialty contractors account for two-thirds of total construction employment in California.

Overall specialty employment increased nearly 9 percent in the past year, outpacing the general construction market. Specialty contractors range in size from mom-and-pop subcontractors operating in a tight geographic radius around a single office, to large, multi-state concerns performing major projects throughout the country and abroad.

Concerns of specialty contractors can be similar to those of general contractors, but they are also unique in a portion of the industry whose contractual agreements are often not with an owner or direct contracting authority. The Specialty Contractors Council of AGC of California seeks to address the needs of our specialty members, large and small. Under the leadership of chair, John Gutierrez of Marina Landscape Inc., we will be tackling as many concerns as possible.

Our January Council meeting, held in conjunction with the Installation and State Board Meetings at the Hyatt Regency Long Beach, featured Anna Carno of the Carno Law Group, speaking on "Show Me The Money: 4 Keys to Prompt Payment." In addition, John Hakel of the Southern California Partnership for Jobs spoke about new efforts in the legislative arena to encourage funding for construction projects in Southern California.

Connections with prime/general contractors are critical to the success of our specialty contractors, and the Council is working to develop opportunities for interaction between generals and subs. The goal is to leverage regularly occurring general contractor events by creating opportunities to network in a structured and intentional format.

Specialty contractors continue to pursue efforts to elevate awareness with general contractors and will be investigating multiple efforts this year. They include establishing a small business subcommittee and creating a directory of certified disadvantaged contractors within AGC's membership. Another pursuit is forming links with GC's to begin an effort to standardize procedures for required items such as prequalification, submittals, progress billings, certified payroll reporting, and other seemingly routine paperwork items. Links to associate members with expertise in accounting, bonding, risk management, and other disciplines will also be pursued.

Education about topics of interest continues to bring positive responses; options under consideration for future meetings include lean construction for the subcontractor's perspective, effective use of social media for business development, how to go about finding bidding opportunities, and technology and applications for today's contractors.

There is a Chinese Proverb that goes like this: "When planning for a year, plant corn. When planning for a decade, plant trees. When planning for life, train and educate people." (Guanzi c. 645BC). While we are taking steps for this year and next, the Specialty Contractors Council is also looking to the future. In 2016 we will reach out and engage the younger specialty members to participate with AGC's Construction Leadership Council (CLC) as we build the workforce of tomorrow. We invite all AGC specialty members, new or old, to join us in this journey through active participation and engagement. ■

Claire Koenig is AGC of California staff liaison to the Specialty Contractors Council and Bay Area Regional Manager. For questions about AGC's Specialty Contractors Council, its agenda for 2016, or how to get involved, please contact Claire at (510) 773-8116 or KoenigC@agc-ca.org.

Specialty Contractor SPOTLIGHT

By the Bootstraps:
Marina Landscape Carved out Unconventional Path to Success

By Carol Eaton

The story of how AGC of California 2015 Specialty Contractor Award winner, Marina Landscape, Inc., got its start – and then grew to become one of the state's largest independent specialty contractors – is a classic, pull-yourself-up-by-your-bootstraps tale if there ever was one.

It started in 1971 when Bob Cowan was just 12 years old and his brother, Richard, was 16. Determined to get their family off welfare following their parents' divorce a few years earlier, the two brothers began mowing lawns to earn some cash. Their ingenuity and determination led to more work and, as Bob Cowan recalls, he and his brother were running two and three-man crews when he was just 13 or 14 years old. "I remember hiring people to drive me around until I was 16 and got my license," he notes. "We learned through trial and error and were just able to figure the business out early on."

The brothers incorporated in 1974, initially as Cowan Landscape Maintenance. In 1983, Richard Cowan went back to school to get his business degree. They then applied his newly acquired professional business skills to growing and running the company, which by the early '80s had about 20 or so employees.

Also in the early 1980s, the company branched out into the public works arena, which offered more steady and reliable pay than some of the private developer work they had been doing. Around that time, Marina made the pivotal decision to unionize, becoming one of just a few landscape companies signatory to all three of the Pipefitters, Laborers, and Operating Engineers unions.

Bob Cowan, Founder of Marina Landscape, accepts the 2015 Specialty Contractor Achievement Awards at the AGC Awards event last October.

"I think one thing that sets us apart is our pro-union outlook," Cowan says. "We're proud to be a union contractor, and it allows us to staff our jobs better. We're one of just a handful of landscape companies in California that is signatory to the Operating Engineers."

Standing Out Through Performance

Over the years, Marina continued to grow in the breadth and scope of its business ventures, taking on increasingly complex jobs and building a strong reputation for performance, competitive pricing, quality work, and service. "We've always worked hard to find out what the contractor or owner needs, to be competitive in price, and most importantly, we've never failed to perform on a job and never had a claim on a bond," says Cowan.

Privately held and run by Bob Cowan since his brother moved on about 20 years ago, Marina now boasts six offices throughout the state and a total of about 750 employees. Many of them have been there for the duration of the career; Marina is a company that hires from within and puts high value on employee retention and development, Cowan points out.

"Watching our employees grow, develop, and take on more responsibility is the best part of this company for me," comments Cowan. "Just one example is our General Superintendent of Construction, Antonio Hernandez, who has been with us 22 years. He went from sweeping floors to becoming a tradesman to becoming an apprentice, journeyman, assistant superintendent, superintendent, and then general superintendent. He is just a great guy."

Cowan estimates there are at least 80 employees who have worked for Marina for their entire career, with an average employee tenure of about 19 years. There are a handful of third-generation family members now employed at the 45-year-old firm.

Construction Market Fuels Growth

While landscape maintenance work was the company's initial focus, Marina long ago diversified into construction projects, which account for about 60 percent of company revenue today. Landscape maintenance projects currently account for about 30 percent of revenue, and erosion control and design-build projects share the remaining 10 percent of their portfolio.

Although Cowan prefers not

Marina Landscape recently performed a $6.5 million design-build contract working for Skanska-Rados JV on the Exposition Metro Line Construction Authority's Expo line.

to disclose financial numbers as a privately held company, he sees a bright outlook for the year ahead.

"2016 is looking to be our best year yet," he says. "We expect to grow our sales by about 20 percent and are actually looking to expand in the San Jose area." That will double the company's Northern California presence, which currently includes an office in Livermore. In Southern California, Marina maintains branch offices in Orange, Sun Valley, Santa Clarita, and Riverside, in addition to its original Anaheim headquarters.

Marina Landscape has built deep roots and long-lasting relationships with owners and general contractors during its nearly half a century in business, delivering many notable projects over the years. Among them are a 25-year maintenance partnership with the Anaheim Resorts Districts, the award-winning landscape construction of Petco Park in San Diego, Disney's California Adventure, and a large scale design-build job with SKANSKA / Rados JV on the Exposition Metro Line Construction Authority's Expo 2 line last year.

AGC Involvement Key

Over the years, Marina has forged strong business ties with the general contractor community, including such AGC member firms as SKANSKA, Kiewit, The Washington Group, now part of URS, and Hensel Phelps, among many others. Cowan says that membership and participation in AGC of California has also been integral to their success.

"We got involved with AGC probably 15-20 years ago, realizing it was the premier construction industry association," he comments. "We wanted to support our industry and to support the general contractors." Currently four key Marina employees are particularly active in various AGC regions, including Cowan, who chaired the Orange County District in 2015 and is now active on the Construction Education Foundation (CEF) board; John Gutierrez, 2016 Chair of AGC's Specialty Contractor Council; Hue Ta, who is active in the Los Angeles District; and Bill Ayers, an active participant in AGC's Bay Area District.

In addition to serving on CEF, Bob Cowan is also Past President of The California Landscape and Irrigation Council, Inc. (CLIC). As such, last year he was instrumental in securing a $50,000 grant from CLIC to establish a joint endowment account for annual scholarships to be awarded to worthy students pursuing construction-related careers.

Marina completed the Rear Berths, Harry S. Bridges Blvd. project in Wilmington for the Port of L.A.

Building a Brighter Future

Helping secure the industry's future through workforce development and other efforts is just one way Marina Landscape works to give back and pave the way for future generations in the construction industry, Cowan says.

As he reflects on where he started, to the thriving company Marina has become and to the bright outlook it sees for 2016 and beyond, Cowan points out it is a degree of success he didn't necessarily envision when he began mowing the neighbors' lawns at the tender age of 12.

"It's just very humbling to see what a great group of people we have at Marina and to know I am able to come to work with them every day and see the many things we've been able to accomplish," he concludes. ■

Building Relationships – and Business Opportunities

By Mary Grandy, Associates Council Chair

As an associate member in any organization, we know it can be difficult to decide where your time (and money) is best spent. There are expectations to make connections and build relationships, and while we know that it takes time to cultivate those, time is not always on our side. If your profession specializes in supporting the construction industry, you are no different from any other trade association. Depending on the crowd, everyone becomes an associate at one point or another.

Regardless of the association (AGC is no different), at one point or another you will be asking why you stay. What is your return on investment? In answer to that question, I challenge you to ask yourself honestly – what did you put into your membership?

In the same way that a gym membership won't get you beach-body ready by just paying your annual or monthly dues, association memberships aren't going to reveal a return on investment by just paying your dues and having a list of members to call on.

How to "Break In"

How does one successfully build relationships in these associations when you are the "new kid" and there is a preconceived notion that there is no room for "another associate"? Maybe you're not a "new kid," but you have felt that you couldn't exactly break into the group. It would probably surprise you to know that this question is not exclusive to associates, but the solution is universal for all.

Show up. Help out. Get involved.

Over the past few years, the participation of associates attending the conference and the Associates Council meetings has continued to grow. The enthusiasm of this group has not gone unnoticed by the State Board or AGC staff. At the 2015 Annual Conference, there was such a large turnout that many were standing in the hallway to participate. Over one-third of all attendees said it was their first time attending the conference and an Associates Council meeting.

In fact, AGC's Annual Conference broke all records with attendance and participation all the way around – attendees, student participation, first-time attendees, etc. AGC of California has a great momentum in participation surrounding it. With all this momentum, we can think of no better time than now to bring others to share this experience with you.

Networking, Industry Knowledge, Education

We've polled many associates asking them: "What can AGC do for you?"

While AGC is association of general contractors and therefore focused on all aspects related to the construction industry, the mission statement and message apply to you as associates as well. So while it wouldn't surprise anyone to know that networking was the top answer among those polled, it should also not surprise you to know that associates participate to gain industry intelligence and education as well.

Associates work with contractors of all shapes and sizes, vertical and horizontal, and all trades. Not all clients or relationships are involved with AGC. Maybe they are members, but may not be actively engaged (again, a gym membership as a universal problem). An overwhelming number of associates shared that they felt participation in AGC was part of their "due diligence" in making sure they were up to speed with what was important to their clients and prospective clients.

AGC creates unparalleled networking and education opportunities. The balance of the membership is not specific to the largest contractors, but there is a great balance of regionalized contractors with concentrated geographical areas throughout California. Participation in AGC events creates an opportunity to connect with people throughout the state, directly addressing statewide concerns relevant to the industry.

Don't Be the 'Creepy Rob Lowe'

There have been several jokes within the Associates Council meetings, as to how to navigate that fine line of building a relationship with folks and ultimately grow business without coming across as the "creepy Rob Lowe" in the room. It a well-known fact that there are always going to be those individuals who join for the sake of growing sales, and if they cannot present at a meeting, or double their business in the first two years, they move on. However, the majority of associates genuinely care for the content, the true opportunities, and the relationships and friendships established through their membership.

We all understand that not everyone can attend a statewide event, for various reasons. The Associates Council is committed to improving communication to all associates throughout the state. We want to show all associates how all types of participation will help with their return on investment.

Be Involved and Engaged

Consider the next time your district is hosting a Lunch & Learn, a CLC event, a Bocce Ball tournament, or even just a networking mixer – what can you do? If you invite a current non-active member, you're bringing them an opportunity to re-engage. If you invite a prospective member, you're introducing them to AGC.

Attendance at Associates Council meetings is open to all associate members. District events are available to all. We encourage you to come and see why "*It's good business to do business with an AGC member.*" ■

Association Member SPOTLIGHT

Meet Mary Grandy

Making a Difference in the Industry and at AGC

By Carol Eaton

Mary Grandy, Senior Vice President at EPIC Insurance Brokers & Consultants, (EPIC) Sacramento, is making a difference in the California insurance industry and within AGC of California.

Recently promoted to her leadership role at EPIC, Grandy has built a loyal client following based on her expertise, problem-solving skills, and attention to detail. A national firm headquartered in San Francisco, EPIC currently ranks among the top 25 retail insurance brokers in the U.S. It is a fixture on the insurance industry's 'Best Places to Work' lists.

In her role as 2015-2016 Chair of the Associates Committee of AGC, Grandy brings a seemingly boundless energy and enthusiasm to her efforts to rally associate participation and active involvement in the association and in promoting construction industry issues.

While her commitment to elevating and engaging associate members in AGC is readily apparent, there's plenty that most people probably don't know about Mary Grandy. *California Constructor* asked her to share some salient details in this brief Q&A.

California Constructor: What was your path into the insurance industry?
Grandy: I was born and raised in Salinas, CA, and got my Bachelor of Arts in theatre arts from Fresno State. When an accident derailed my performing career for a national touring theatre company, I got involved in handling auto claims for an insurance carrier. After handling casualty claims for about 10 years, I switched to the broker side 12 years ago. Though my company name has changed several times in a few years, I've been with the same agency ever since.

California Constructor: What led you to get involved with AGC, and what makes AGC membership and participation most valuable to you?
Grandy: My mentor, Bill Bergan, was a member at the local level and convinced me to join. It was Mike Mencarini (Unger Construction Company) and John Cooper (AGC) who convinced me to get involved and showed me how to do so. Since then, my involvement in the association has continued to grow. The education I get from attending board meetings and other events statewide and at the district level, is invaluable to my career. It's been a way to deepen my relationship with existing clients, bring value to relationships with those who are not yet members, and continue to grow a network of truly talented people.

California Constructor: To what do you attribute your success in business and/or life?
Grandy: My ability to overcome adversity, roll up my sleeves, dig in my heels, and get the job done. I have been very fortunate to be surrounded by brilliant and loving people, who are not afraid to push me and challenge me, which takes me to the next level.

California Constructor: What motivates you?
Grandy: My son, Tyler, motivates me. I started out as a young single mom, and was determined to be the kind of person, employee, community caregiver, and parent, that I would want him to learn from. He is my proof that I've done something right in this world.

California Constructor: Tell us a "fun fact" or two about yourself.
Grandy: My special hero is my twin sister – who is nothing like me, but is the perfect yin to my yang. My first published story is in a collaborative book called "The Dead Dad's Club."

California Constructor: Favorite quote?
Grandy: The quote that defines me is: "That which does not kill me, makes me stronger." (Originally by 19th century German philosopher Friedrich Nietzsche) ■

How a Typo Can Be Costly

Have You Checked Your Paystubs Lately? Slew of Cases Focused on Minor Errors Can Cost Employers Millions

By Danielle Hultenius Moore and Collin D. Cook, Fisher & Phillips LLP

Imagine being sued by all of your employees for the past four years because your paystubs have an extra comma in your company's name, the zip code is missing from your address, or the paystub gives the pay period end date but not the beginning date.

These hyper-technical errors are the focus of the new "claim du jour" in California, often seeking millions of dollars in damages. These cases are particularly offensive because employees are generally not harmed by these minor errors. Instead, these cases seem to only penalize good employers for innocent mistakes. Regardless of the offensive nature of these claims, the recent spike in class actions has reinforced the need for you to pay close attention to the specific itemized wage statement (paystub) requirements in California Labor Code section 226(a).

While it seems elementary that you must follow wage and hour law, compliance is often taken for granted. Companies frequently commit unintentional violations of this paystub law due to a misunderstanding of the technical requirements, leading to significant liability under the Labor Code and Private Attorney General Act of 2004 ("PAGA"). For instance, companies have recently faced lawsuits alleging they missed a space in the company's name, or omitted "Inc." from the end of their name.

What You Need to Know - The Labor Code's Requirements

Labor Code section 226(a) requires you to furnish your employees with "an accurate itemized statement in writing," that includes the following nine categories of information: (1) gross wages earned; (2) total hours worked, except for exempt employees who are paid on a salary basis; (3) the number of piece-rate units earned and the applicable piece rate, if the employee is paid on a piece-rate basis; (4) all deductions; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid (not just the ending date); (7) the employee's name and identification number, or the last four digits of the employee's Social Security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each rate by the employee.

Additionally, California's Healthy Workplaces, Healthy Families Act of 2014, commonly known as California's new Paid Sick Leave Law, requires you to provide employees with their available amount of paid sick leave either on the employee's paystub or in a separate writing at the time the wages are paid.

Penalties for Non-Compliance

If Section 226 is violated, an employee is entitled to recover $50 for the initial violation, and the employer must pay $100 per employee for each subsequent violation, up to a maximum of $4,000 per employee, plus any attorneys' fees and costs. These penalties can have devastatingly expensive consequences. For example, a concrete company that paid its approximately 250 workers on a weekly basis recently faced potential liability of one million dollars for violations for the remainder of the year. The initial violations only cost the company $12,500, but the subsequent violations increased the total by an additional $987,500.

In addition, Section 226.3 states that the Labor Commissioner can impose additional "civil penalties" of $250 per employee per violation (i.e., per pay period) as an initial citation and $1,000 per employee per violation for any subsequent citations. And, an employee may also file an action to recover civil penalties for these violations under the PAGA. In other words, the concrete company faced liability of several million dollars in alleged penalties and attorneys' fees when all was said and done.

No Harm, No Foul? Not Under This Law

What makes these cases particularly troubling is that employees do not need to show they were actually "harmed" by your errors to win their cases against you. Under Section 226(e), employees can recover these penalties if they suffer an "injury" as a result of your "knowing and intentional" failure. However, courts in California have interpreted "injury" broadly and have stated that an employee will be found to have "suffered an injury" if you simply fail to provide accurate and complete information as required by Section 226.

In other words, the employee doesn't need to be actually harmed by the technical violation for them to recover substantial amounts from you.

New Law Provides Partial Opportunity to "Cure"

In response to the spike in Section

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Change Orders…Are you Kidding Yourself?

By Mark Richardson, Principal, Pinnacle Surety

Let's face it: the owner of a project typically wants more for their money than they budgeted.

The architect, engineer, and owner don't want to admit to any mistakes they may have made, such as poor plans and/or vague specification language (intentional or not). The contractor doesn't want to admit their mistakes, like the job was estimated incorrectly, schedules weren't met and/or there were shortages of labor. Add all of this to the old rule of "those who hold the gold make the rules," and you have the foundation for a Change Order (CO) war.

If not documented properly, the contractor won't get the CO approved. The contractor can fight and kick and scream, but in the end, the little voice in the contractor's mind is saying, "you are kidding yourself." Instead of the CO becoming a receivable, it falls into that dark and dreary line on the balance sheet entitled "under-billings."

After 20 years of sitting in on jobsite construction meetings for and with my clients (GCs and subs), there are three common aspects that are apparent to me when it comes to Change Orders. First, one party usually knows the contract language, specs, plans, and schedule better than the other party, and has detailed documentation to prove it. Second, Party "A" does know the contract well and is seeing if Party "B" knows the contract as well; if not, Party A is hoping to take advantage of Party B. Third, the fulcrum point for the best leverage in negotiating the Change Order has often been passed by…losing the opportunity to properly document approved COs.

So what is the fulcrum in the CO process? In my opinion, it is the very point at which the contractor can decide to not move forward with the project until the CO is approved and documented. Every CO has the exact moment at which time the contractor has the most leverage to obtain the CO. If at this time the CO is not documented properly and the contractor relies on "we'll send you the paperwork later," or, "I need you to do this now because we are behind schedule and I will make it up to you later or on another project," or, "you know me, I would never take advantage of you," most often the result is another under-billing.

While the owner of a project does have the gold, the contractor does have control of the project. It may not seem so, but in the end, if the contractor knows their contract, schedule, and statutes, they can control the gold and all in good faith. In a world with fast moving projects and lightning quick technology/communication, knowing your contract and the scope of work you bid can give you the confidence to demand an approved CO before you move forward with the project.

Often, the contractor gets caught up with "keeping the relationship" with the owner rather than taking the fiduciary responsibility in protecting his/her business by not executing work that should be a CO. While the contractor may have several other responsibilities, doing work for free is a one-way road. So, the next time a work for free opportunity comes around, the contractor must be aware of the exact fulcrum point to obtain the CO. ■

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226 class actions, a group of employers recently reached out to their local representatives for emergency relief. In October 2015, partial relief was obtained when Governor Brown signed Assembly Bill 1506 into law, which amended several provisions of PAGA. Most notably, AB 1506 provided an employer with the "right to cure" two common paystub violations: (1) failure to include the inclusive dates of the pay period; and (2) failure to include the correct and full name and legal address of the employer.

Significantly, employers have only 33 days to cure these violations upon receiving notice of the violation. By curing these violations, you are able to avoid PAGA penalties. However, a violation will only be deemed to have been corrected if you provide compliant paystubs to all employees for all pay periods over the prior three-year period. This is quite burdensome.

Also, and perhaps most importantly, AB 1506 does not provide a cure provision for the underlying Section 226 penalties, allowing employees to continue to bring these hyper-technical class actions against unwitting employers. As a result, it is critical that you take proactive steps to minimize your risk now.

How to Minimize Your Company's Exposure

It is imperative that you audit your company's paystubs to ensure compliance with the nine categories of information required in Section 226, and seek guidance from counsel to ensure that your compliance meets such a hyper-technical standard. Additionally, you should strongly consider implementing enforceable arbitration agreements with your employees, which is one of the greatest tools to help protect a company from being subjected to a costly class action lawsuit. ■

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AGC Installs Officers, Holds First 2016 Meetings

AGC of California held its first Division and State Board of Directors meetings of 2016 at the Hyatt Regency in Long Beach January 28-29, followed by its annual Installation of Officers banquet.

The AGC State Board covered a wide range of business issues, from the 2016 AGC legislative program to the Construction Education Foundation initiatives. Discussion topics also included the association's strategies and goals for 2016 in the areas of membership, marketing, organizational effectiveness and services.

Guest speaker Felipe Fuentes, Councilmember of the Seventh District, Los Angeles, discussed the challenges with maintaining and funding infrastructure in Los Angeles. He invited AGC contractors to take an active role in helping educate, advocate for and providing expertise to local government policymakers on construction-related issues.

President's Scholarships

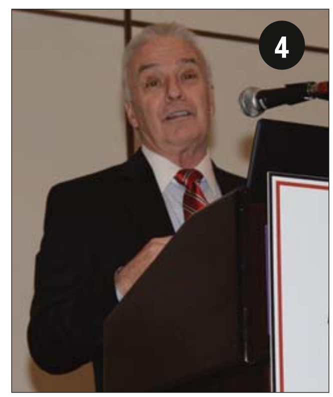
2015 AGC of California President Jon Ball announced the recipients of his 2015 President's Scholarship awards, which were based on essay submissions on the topic of using virtual and mobile construction tools in project planning and delivery.

First place and a $3,500 scholarship went to Jimmy Bryars, CSU Chico. Second place and a $1,500 scholarship went to Alejandra Maravilla, CSU Fresno.

Builders Discuss Water Quality Issues, Lease-Leaseback

During the AGC Building Division meeting on January 28th, attendees heard from Tom Donavan, Program Director for the L.A. Community College District on its ongoing work under a $6.2 billion construction bond. LACCD has plans for an additional 160 projects of all types and sizes in the near future.

Mark Gray of the Construction Industry Coalition on Water Quality (CICWQ) gave a presentation on the major water quality regulatory issues for 2016. Inconsistent field implementation for Stormwater Prevention Plans (SWPP) is a major concern. Key water quality priority areas impacting the construction industry in 2016 include Construction General Permit (CGP) renewal; no numeric limits in any stormwater permit; the need for more construction industry education on permit requirements; and stopping any changes to California wetland regula-



1. *2015 President Jon Ball presented his President's Scholarships to Alejandra Maravilla and Jimmy Bryars.*
2. *LA Councilman Felipe Fuentes addressed the State Board.*
3. *CIAQC's Mike Lewis spoke at the Joint Engineering Division meeting.*
4. *Tom Donavan of LACCD addressed the Building Division Board.*
5. *The 2015 Executive Committee of AGC of California was recognized on Installation night.*

tions, among other things.

Speakers Dave Ackerman with The Apex Group and Eileen Diepenbrock of Diepenbrock Elkin Gleason offered an in-depth presentation on the state of the lease-leaseback contracts in the wake of a recent Court of Appeals decision. The decision brought the contracts under attack, and AGC is working with CEA and others to bring corrective legislation to reform the lease-leaseback process.

Transportation Funding, Air Quality Issues Top Jt. Engineering Agenda

The Joint Engineering Division Board covered various topics of particular impact to the heavy construction industry. In his legislative update, AGC lobbyist Dave Ackerman discussed new laws in 2016 and gave a sobering report on the state's recent $754 million reduction in state transportation funding over the next five years.

Mike Lewis with the Construction Industry Air Quality Coalition reported on air quality regulatory issues. He discussed the off-road equipment sector and challenges to meet current U.S. EPA and CARB exhaust emission standards. Construction and mining equipment remains the largest contributor to the total off-equipment NOx emission inventory. Lewis noted that longer term NOx Emission reductions will require widespread adoption of near-zero and zero emission systems for mobile construction and commercial (portable) equipment.

AGC Installation of Officers Banquet

A sellout crowd of 300 people turned out to welcome AGC of California's leadership for 2016 during the Installation of Officers banquet on January 29.

Officers installed include President Jaimie Angus, Griffith Company, Brea; Senior Vice President Mike Mencarini, Unger Construction Company, Sacramento; Vice President Walt Johnson, K.G. Walters Construction Co., Inc. Santa Rosa; Treasurer Jerome Di Padova, Skanska USA Civil West, Riverside; and Immediate Past President Jon Ball, Hensel Phelps, San Jose. Tom Holsman serves as CEO of AGC of California.

AGC of California and its districts have plans for a busy 2016 filled with a variety of meetings and events. They include the Spring Legislative and State Board Meetings May 9-10 in Sacramento, the Annual Conference in Monterey October 19-22, and the AGC Awards Banquet in Monterey October 22.

For more information, visit AGC's website at www.agc-ca.org. ■

6. 2016 President Jaimie Angus with 2015 President Jon Ball.

7. 2015 President and First Lady Jon and Paula Ball take the stage with 2016 First Lady Cheryl Weiler and President Jaimie Angus.

8. Jaimie Angus' daughter Sara speaks about her dad on installation night.

9. Installation emcee Dan McGrew, Griffith Company

10. Jaimie Angus with family members on installation night