

CONTRACTORS ASSOCIATION OF WEST VIRGINIA
2007 ANNUAL REPORT



**HARD
AT WORK**



Although the past year has presented many challenges for the construction industry, with the help of the CAWV, we have stayed on course.

We stated a goal at this year's Annual Meeting: To reinvigorate our committees so that they can better serve our members and the industry. We have chosen our committee chairmen and they are forging ahead to create interest and participation in their meetings and events.

The Joint Architects Committee has been meeting with the School Building Authority to streamline bidding procedures and contract documents used in school construction projects. The CAWV is also working with SBA officials to secure more funding for West Virginia's educational facilities.

In the utility construction arena, a task force of the Joint Utility Committee has been meeting monthly with representa-

tives of state and federal contract agencies to hammer out solutions to many common difficulties. Through the committee, funding agencies have adopted pre-bid and loan closing checklists. The committee continues to work toward standardization of contract documents across all water and sewer funding agencies.

On the heavy/highway front, our committees are very involved in funding issues. The Joint Cooperative Committee, working with the WV Division of Highways and Governor Joe Manchin's administration, saw the West Virginia Legislature pass measures that will add nearly \$1 billion over the next seven years to the State Road Fund. Years of work of the CAWV's Abandoned Mine Land Reclamation Committee came to fruition when Congress late in 2006 reauthorized the AML program which will result in nearly \$1 billion over the next 15 years to reclaim AML sites statewide.

The work of the CAWV with the West Virginia Legislature is successful because of the strength of our membership. The association represents nearly 475 companies, with 20,000 employees, all working to build a better West Virginia.

The voice of the CAWV is heard through HUB/PAC, the association's political action committee. HUB/PAC is driven by the generosity of members contributing financially to ensure that our industry gets a fair hearing on the issues affecting construction. If you have not already contributed to our HUB/PAC, please do. It is extremely important to our industry.

CAWV committees are developing future goals and new plans to achieve the association's long-term vision of creating a good climate for construction in West Virginia. I encourage all members to become involved so that the CAWV will continue to be a leader in our state.

This year's Annual Report is just sample of how the CAWV and our members are "Hard at Work" every day building a better West Virginia.

Sincerely,

John S. Casto
President

LEGISLATIVE PROGRAM SEES SUCCESS IN 2007

The CAWV's legislative efforts, an essential membership service, in 2007 saw positive changes for the construction industry. The CAWV worked with Governor Joe Manchin and the WV Legislature to pass bills leading to an additional \$994 million in revenue for the State Road Fund over the next seven years for highway construction and maintenance.

The Legislature also dealt with a number of construction-related bills. Those that became law include: allowing contractors to be exempt from the state Consumer Sales Tax (CST) when the materials purchased are consumed in the construction or improvement of a structure for an entity exempt from the sales tax on purchases (S.B. 631); increased penalties for employers who hire unauthorized workers (S.B. 70); funding for school construction and security measures (S.B. 67); and a bill to clarify contractors

bidding on work in West Virginia must have a contractors license prior to bid (H.B. 3117).

Legislation that did not pass includes: a bill requiring contractors not meeting a project's completion date to be assessed a penalty of \$1,000 per day for every day late; a bill requiring contractors performing public construction projects to show at least 75 percent of the workers on a project over \$500,000 have health insurance; and bills that would have diverted funds from the State Road Fund to other purposes.

WVDEP INCREASES AML FUNDING IN 2008 AND 2009

In late 2006, Congress passed the Tax Relief and Health Care Act which reauthorized the Abandoned Mine Land Reclamation Fund for 15 years, bringing nearly \$1 billion to West Virginia to clean up abandoned mine sites. The CAWV worked diligently with the WV Depart-

ment of Environmental Protection and Governor Manchin's staff to increase funding for Abandoned Mine Land restoration projects in FY 2008 and again in FY 2009. The proposed budget also allows Gov. Joe Manchin to expedite construction of 38 water systems that have been damaged by mining operations.

UTILITY TASK FORCE CONTINUES WORKING TO STREAMLINE PROJECTS

The Joint Utilities Committee Task Force has met regularly with federal and state water and sewer funding agencies and public service commission officials to study more efficient and cost-effective measures to bid and complete projects. The task force has implemented a new Weather Days specification for RUS-funded projects, a pre-bid and loan closing checklist, and, is currently working toward a 60-day bid hold procedure to expedite a project's award.

ASSOCIATION PROMOTES EDUCATION

The CAWV Scholarship Foundation awarded \$7,500 to six deserving engineering students in 2007. This year's \$4,000 winner, Bryan Legg, is a sophomore studying civil engineering at West Virginia University Institute of Technology. Additional awards were given to five finalists from Marshall University, West Virginia University, West Virginia University Institute of Technology and Fairmont State University. The annual golf outing, which is held to raise funds for the Scholarship Foundation, collected \$5,000 this year.

The Foundation awarded three local vocational schools \$500 each as part of a new initiative to assist schools in developing skilled tradespeople needed for the future.

BUILDING DIVISION ACTIVE ON MANY FRONTS

The Joint Architects Committee worked with the School Building Authority on a number of issues, including revamping the agency's policies and procedures for school building projects and establishing task forces to study and make recommendations on design-build construction procedures and future building costs.

The committee is also working with SBA officials on future funding measures for school construction and renovation projects.

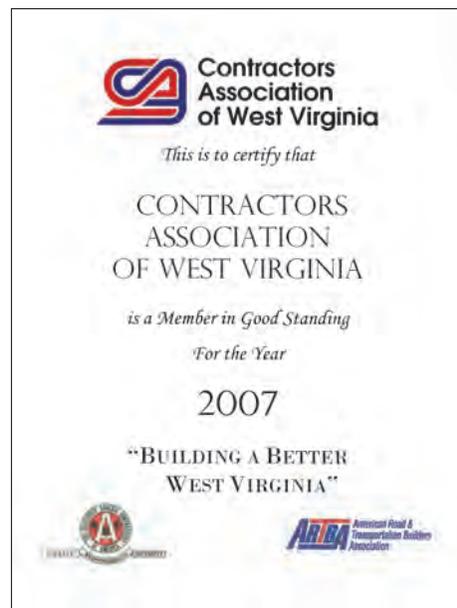
MEETINGS FEATURE STATE LEADERS

Gov. Joe Manchin was the keynote speaker at this year's Annual Meeting at The Greenbrier. He told members investment in infrastructure is key to the state's future. The governor promoted increased funding for highways, water and sewer facilities and schools as top priorities in his administration.

House Speaker Richard Thompson spoke at the State Meeting, saying, "It's a pleasure to work with the Contractors Association of West Virginia because you help keep West Virginia moving."

CAWV ADDS TO PROJECT LISTINGS

The CAWV this year was pleased to include projects from the West Virginia/Kentucky/Ohio tri-state area in our Newsletter and Internet Plan Room. In conjunction with iSqFt, we have been able to add Jackson, Pike and Scioto counties in Ohio, and Greenup, Carter and Lewis counties in Kentucky. The addition of these counties provides full coverage of projects for our members bidding work in the tri-state area. This is in addition to the border counties in the states surrounding West Virginia, which are already covered.



CAWV UNVEILS NEW MEMBERSHIP PLAQUES

Members this year received a new membership plaque from the CAWV. The plaque features a foiled and embossed CAWV logo with the company name and year of membership. The new plaque allows a membership certificate to be inserted upon annual renewal.

LEO VECELLIO ASSUMES ARTBA'S LEADERSHIP

Leo Vecellio Jr., Vecellio & Grogan, Inc., is serving as chairman of the American Road and Transportation Builders Association. He will direct ARTBA's activities on reauthorization of the new federal-aid highway bill. Jim Ahern, Ahern & Associates, Inc., was elected to a three-year term on ARTBA's board.

AGC FOCUSES ON FUNDING - UNVEILS CONSENSUSDOCS

The Associated General Contractors (AGC) of America is working with Congress on a number of measures to fund water and wastewater systems, highways, dams, airports and schools.

AGC also released ConsensusDOCS, which encompasses over 70 contracts and forms created in collaboration with 20 leading industry groups. These documents employ best practices and fair risk allocation for all of the parties to a project, focusing on yielding better results and fewer disputes. AGC's Board of Directors in October voted not to endorse the 2007 edition of the AIA A201, General Terms and Conditions document.

CAWV FILES AMICUS BRIEFS ON INDUSTRY ISSUES

The CAWV Board of Directors voted to file amicus briefs on two cases before the WV Supreme Court of Appeals. One case involves whether a steel fabricator is defined as a supplier or subcontractor for payment bond purposes. The other case deals with when government can condemn property for a public project.

JOINT COOP WORKS WITH WVDOH ON SPECIFICATIONS

The Joint Cooperative Committee, comprised of CAWV members and WVDOH and FHWA officials, made progress on updating WVDOH specifications and provisions. Much time was expended on rewriting Section 108 of WVDOH's standard specifications and on the division's shop drawing provision. The association also assisted the WVDOH in updating purchase order specifications, including the placement portion of the diesel fuel index.

AGC SUPERVISORY TRAINING COURSES GROW IN POPULARITY

Nearly 80 members have completed the CAWV/AGC Supervisory Training Program, learning the skills needed for construction supervision. The CAWV will continue to hold STP courses in cities throughout West Virginia.

EXPO '07 SETS EXHIBIT RECORD

A record 306 exhibitors with 501 in-door and 26 outdoor booths packed the Charleston Civic Center for the 28th annual EXPO. Nearly 6,000 attendees from 28 states visited the two-day show, sponsored in part by the CAWV and WVUCA and managed by the APWV. The show featured 88 Honor Exhibitors, a 76-page Program and Professional Directory and 53 seminars and meetings. More information about the March 19 and 20, 2008, event can be found at www.wvexpo.com.

CAWV COMMENTS ON NATIONWIDE PERMIT PROPOSAL

The CAWV filed its comments on the WV Department of Environmental Protection's proposed draft on the West Virginia / National Pollutant Discharge Elimination System (NPDES) General Water Pollution Control Permit for Stormwater Associated with Construction Activities. The association identified a number of areas to streamline the permit process and provide for the appropriate amount of stormwater run-off protection.

The CAWV joined with other organizations in submitting comments to the U. S. Army Corps of Engineers regarding the proposal to reissue and modify Nationwide Permits (NWP). The CAWV opposed plans to expand the jurisdiction of the Corps over ephemeral and small intermittent streams and to include these streams in the definition of "waters of the United States" under the Clean Water Act.

CAWV LAUNCHES CONSTRUCTION MATTERS

A news-clipping service to members of the association began this year. "Construction Matters" is a compilation of news articles from around the state of West Virginia on projects and issues of interest to CAWV members. "Construction Matters" is sent each Tuesday. Each article includes a link to the original source and a brief summary.

CAWV RECEIVES ABOVE AND BEYOND AWARD

The CAWV received an award from the Employer Support of the Guard and Reserve (ESGR) in June. ESGR is a Department of Defense organization charged with gaining and maintaining support from all public and private employers for the men and women of the National Guard and Reserve. The "Above and Beyond Award" is among a series of ESGR-sponsored honors for employers providing programs and policies that exceed requirements of the Uniformed Services Employment and Reemployment Rights Act.

WVCAC ACTIVITIES

The WV Crushed Aggregates Council worked closely with the State Auditor and WVDOH on educating members about the use of the Purchasing Card Program (PCard). PCards are state-owned credit cards that can be used for stone and other purchases. Members can receive payment within days and the state can eliminate paperwork.

APA ACTIVE ON VARIOUS ISSUES

The Asphalt Pavement Association of WV is continuing a pavement review process that began in 2004. The effort to date has led to the WVDOH approving design changes for asphalt pavements, including minimum overlay thickness and new mix types.

APA Executive Director Pat Parsons was honored as "Man of the Year" by the American Society of Highway Engineers (ASHE), North Central West Virginia Chapter.

WVUCA SEEKS FUNDING

The WV Utility Contractors Association hosted a panel of water and sewer funding agencies who outlined their 2008 utility construction programs. The association is also working to reauthorize the Clean Water and Safe Drinking Water Acts.

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