



July 31, 2015 – VOLUME 13, ISSUE 7

The Contractors Perspective
Q&A with Bill Hillman, CEO of the National Utility Contractors Association (NUCA)



Actionline: Before diving into policy issues, what's the mood among your members? Has business recovered from the recession or are utility contractors still struggling to stay afloat?

Hillman: Our members seem cautiously optimistic. Of course, it seems we've been cautiously optimistic for several years now. It varies by region – even by metropolitan area – and by market segment. We represent 10 diverse market segments from water and sewer pipelines to shale play and oil and gas to treatment plants and telecommunications. While nearly all our members now have work in hand, profit margins are extraordinarily thin, and few companies have a sufficient or comfortable amount of backlog on the books.

Overall, our industry took a serious hit during the construction depression, and no one will forget the experience for a generation or more. Everyone I know is cautious and some remain absolutely fearful of the future. Folks are understandably slow to come out of their shells. The failure of our elected leaders, at all levels, to commit seriously to rebuilding America doesn't help at all. Really, what are these people thinking? Ironically, one of the biggest challenges we face across the board is a palpable lack of skilled personnel – from mechanics to truck drivers to foremen. This challenge cross cuts all segments and will be around for the foreseeable future. We are actually working on a high school curriculum to help create our own future workforce. Some of these young folks don't even know how to show up for work on time.

Actionline: What is NUCA's top legislative focus at this time?

Hillman: We are supporting any infrastructure financing proposal that might actually move (and even some that won't) and are simultaneously fighting to keep unnecessary and duplicitous regulations off our members' backs! Seriously, it's actually hard to nail down just one top legislative or regulatory focus, as the government is in our face in every aspect of finding work and running a business, all day long. This week, we are out in force supporting every version of the highway bill that has hit the floor. We're supporting a three-month extension to keep the money flowing, the 35th short term patch since 2009, and also backed the imperfect six-year Senate highway bill, in the hopes that a real deal can be put together later this year. The highway bill is important to NUCA not just for paving and roadbuilding, but also for utility relocation work, storm drain installation, traffic control systems, general excavation and other related work that uses a full 17 percent of the funding!

Actionline: As you know, the State Revolving Fund (SRF) programs have been slashed by over 30% since 2010. Is there any hope to restore those cuts in the near future?

Hillman: Luckily, there is hope. Back in June, House and Senate appropriators sent legislation out of the Appropriations Committees that if passed by Congress would drastically cut infrastructure construction financing through the EPA's State Revolving Funds (SRF). These job killing and infrastructure damaging cuts would reduce overall employment, not just construction employment, diminish growth and possibly harm public health and environmental protection. Meanwhile, the documented needs are through the roof and the program is highly efficient; funds are directed to much-needed projects and taxpayer interests are protected. Sure, scores of innovative financing proposals have been introduced and promoted to much acclaim, but a grand total of none of these initiatives have passed. The good old, boring SRF program (and a similar Rural Utility Service Program as well as some Community Development Block Grants) is the only federal funding workhorse actually on the job. Again, what are they thinking? Tell me which federal programs have more positive impact for Americans and our quality of life.

What's even more frustrating and disheartening is that by the Senate Appropriations Committee's own website's admission, when compared to fiscal year 2015, the fiscal 2016 Senate bill would result in 230 fewer water infrastructure projects, 14,000 fewer jobs and \$1 billion less in matching fund investments from states.

The good news is that NUCA and the [Clean Water Council](#) (ACPPA is a member) provided excellent testimony to the appropriators and we are keeping the pressure on through coalition and grassroots lobbying to restore funding prior to final passage. ACPPA members may recall that a bill was recently pulled from the House floor due to a proposed amendment to ban the use of the Confederate flag. Well, this was that bill – the one that included reduced SRF funding. Now all 12 spending bills are being held up over this issue, and all face a September 30 deadline. It is likely that all the appropriations bills will be wrapped up into a massive spending bill, or continuing resolution that funds most or all federal programs. Ironically, if that happens, there is a good chance that we will be able to avoid the proposed draconian cuts (and through the coalition we will fight for better).

For the record, we are pursuing an 'all-of-the-above' approach to financing infrastructure that encompasses many different strategies and vehicles currently before Congress such as, Private Activity Bonds, an Infrastructure Bank financed by repatriation, as well as increased appropriations for State Revolving Fund programs.

Actionline: Energy development has been a significant market driver for NUCA members. Can you talk about the impact America's "energy revolution" is having on utility contractors?

Hillman: As America's natural gas industry grows, the need for pipeline and water infrastructure that support this industry has been essential. There are a growing number of NUCA members working on projects in and supporting the energy industry. In addition to shale play, we have also added membership categories for oil and gas pipelines and gas distribution. We support the Keystone XL pipeline project, keep our eye out for regulations hostile to shale energy development, and also support congressional initiatives to end the ban on energy exports.

Actionline: As Congress has rejected the Obama administration's policy agenda, we're seeing it resort to the rulemaking process to circumvent the legislative branch. Are there any new regulations that particularly concern NUCA?

Hillman: [WOTUS \[Waters of the United States\]](#) will have a significantly detrimental impact on NUCA members' business operations and development. While the rule is intended to clarify watershed areas covered by the Clean Water Act, the result will be the exact opposite. Our members will face more uncertainty and bureaucracy with this rule that will increase costs to consumers, slow projects down and make doing underground work more difficult. Recently, we were able to extend the enforcement deadline on [OSHA's new Confined Space rule](#), and are in good shape as our Confined Space Training Program was already up to snuff. Finally, we continue to help lead the fight against [OSHA's proposed rule on silica exposure](#).

ACPPA would like to thank Bill Hillman for taking the time to share his insights. The views expressed in this interview are Mr. Hillman's and do not necessarily reflect the positions of the association.

Lawmakers Seek to Codify Coal Ash Rule



On July 22, the House of Representatives passed bipartisan legislation to codify and modify the Environmental Protection Agency's (EPA) recently-released [final rule](#) on the disposal of coal combustion residuals (CCRs) commonly referred to as coal ash.

CCRs are a byproduct of combustion inside coal-fired power plants. Specific types of coal ash are vital components of modern concrete because they imbue the material with heightened physical and chemical properties.

On Dec. 19, 2014, the EPA promulgated its final rule regarding the disposal of CCRs. While the regulation was seen by many as a fair compromise between business concerns and environmental safety, it was not without controversy.

[At a June 17 hearing](#) before the Senate Environment & Public Works Committee, experts cautioned the EPA rule could create a duplicative set of laws at the federal and state level. They warned the rule could also only be enforced through citizen suits, ultimately leading to a haphazard patchwork of local laws.

H.R. 1734 restores certainty by allowing the EPA to approve state CCR oversight plans and by giving the EPA the power of direct oversight if a state fails to adopt a scheme that meets minimum guidelines. This system would ensure that coal ash disposal is regulated in a manner that ensures environmental safety while also giving the states the flexibility to adapt to unique situations.

At the same June 17 hearing, industry leaders warned that while they agreed with the EPA's categorization of fly ash as a non-hazardous material, certainty could not be restored to the business community until Congress put this definition into law. Rep. McKinley's bill would codify the non-hazardous classification.

The bill will now awaits Senate consideration where its future is unclear.

Three Days in Washington – A Highway [Short] Story



With the Highway Trust Fund (HTF) running desperately low on cash and authorization for federal highway and transit construction programs expiring July 31, Congress approved measures to keep transportation money flowing to the states (at least temporarily) before leaving for August Recess. Though the Senate had mustered the votes to pass a six-year bill, both houses eventually settled for yet another short-term extension to the federal highway program in time to break for Congress' extended August recess.

A lot can happen in three days in Washington:

Senate shows some DRIVE

Late on July 27, the Senate voted to invoke cloture on the [DRIVE Act](#), the bipartisan highway bill negotiated by Majority Leader Mitch McConnell (R-Ky.), Environment & Public Works (EPW) Committee Chairman Jim Inhofe (R-Okla.), EPW Ranking Member Barbara Boxer (R-Calif.) and others. The Senate considered limited amendments to the bill and summarily passed this long-term HTF solution on July 30.

The [DRIVE Act](#) would:

- Authorize highway and transit programs for the next six years and modestly increase annual funding.
- Provide guaranteed funding for the next three years to restore near-term certainty while Congress looks for a long-term HTF revenue solution.
- Create a new freight program that gives American businesses increased access to energy production, agriculture, mining and ports.
- Reduce red tape to accelerate project delivery by improving collaboration, eliminating redundancies, and removing barriers that delay the process.

The DRIVE Act isn't perfect, but it is the only serious, long-term solution with bipartisan backing and the blessing of Senate Republican leadership to have made it to the floor in the entire debate. Unfortunately it didn't stand a chance: Before a single vote had been cast, the near-term fate of the bill was set – House Majority Leader Kevin McCarthy (R-Calif.) had already promised the House wouldn't consider the Senate's solution.

The House Sells Short

As the Senate got to work, the House was already resting on the passage of its own bill – a short-term extension that would keep the highway program alive until the end of 2015. On the July 29, the House acted again, passing a shorter, three-month extension and then quickly adjourning for its August recess. The idea drew criticism from senators on both sides of the aisle who accused House leaders of trying to “bug out” for the earliest August recess in a decade while ignoring America's staggering infrastructure investment deficit. Despite the criticism, the upper house didn't have the upper hand: On July 30, the Senate approved the \$8 billion extension and sent it to the White House.

All the political gamesmanship only underscores the importance of construction industry grassroots contact. The Senate's passage of the DRIVE act will create momentum for a long-term bill before the end of the year. If it can be done in the slow-moving, procedure heavy Senate, the more flexible House should be able to overcome its partisan morass and make real progress on a real issue that matters to real Americans.

Through pro-active engagement and by explaining to lawmakers why it matters to their constituents, industry members can help save the federal surface transportation construction program.

Pressure Pipe Post

ACPPA's Monthly Source for Industry News

July 2015

To keep members aware of the activities of government and standards organizations, we regularly sweep public databases and publications for the industry-specific terms indicated below. We then provide our members with links to documents identified in the search. Please note that in some cases the URLs may link to subscription-only databases. The purpose of this service is to identify emerging threats and trends as well as opportunities for collective action by ACPPA.

NEWS RESULTS

Water

Water Infrastructure in the United States is Aging to the Point of Needing Major Repairs

7/6/15 <http://bizcovering.com/business/there-is-no-question-that-the-water-infrastructure-in-the-united-states-is-aging-to-the-point-of-needing-major-repairs/>

Today, engineers surmise that approximately 15% of the water that currently flows throughout the U.S., with higher concentrations in the western portions of the country due to the extremely fast population growth experienced in this region, is carried by asbestos cement pipe mains. Asbestos cement pipe, when installed, had an expected lifespan of between 50-80 years, and many of the existing mains are reaching their maximum useful lives.

Joel Foster: A Water Works for the Capital City

7/7/15 <http://www.timesargus.com/article/20150707/NEWS01/707079939>

A monument was erected by the city of Montpelier in 1904 in recognition of more than a half century's labor for the city's good including the engineering and building of the city's present water system of which Joel Foster was superintendent until his death.

Poor Customers Pay the Price for America's Crumbling Water Infrastructure

7/13/15 <http://www.citylab.com/tech/2015/07/poor-customers-pay-the-price-for-americas-crumbling-water-infrastructure/398228/>

Coatesville officials sold the city's water system to the Pennsylvania-American Water Company (PAWC) for \$38 million, with ambitions to revitalize the city with the sale. But the decision has had an opposite effect: The city mismanaged the revenue, and PAWC has sought exponential rate hikes on multiple occasions.

Updated Infrastructure Training Programs and a New Website Provide Better Access and Information

7/27/15 http://www.mswmag.com/editorial/2015/08/education_and_training_just_got_easier1

NASSCO's mission to set standards for the assessment and rehabilitation of underground infrastructure is accomplished through education, technical resources and industry advocacy.

Plastic Pipe

Plastics Pipe Institute Awards REHAU with Project of the Year

7/2/15 <http://retrofitmagazine.com/plastics-pipe-institute-awards-rehau-with-project-of-the-year/>

REHAU was awarded with the Plastics Pipe Institute (PPI) Building & Construction Division's Project of the Year at the organization's annual meeting. The award recognizes the company's role in the École Secondaire Jeunes sans Frontiers (Secondary School for Youth Without Frontiers) project in Brampton, Ontario

Construction

OSHA Fines Company for Death of Novato Man

7/15/15 http://www.marinscope.com/novato_advance/news/osha-fines-company-for-death-of-novato-man/article_9c819320-2b3f-11e5-8d97-ffd72fbb3d44.html

The California Division of Occupational Safety and Health has fined a construction company \$38,250 in connection with the death of an employee who was crushed by a pipe at a construction site near U.S. Highway 101 in Petaluma in April.

Hands-on Training Opportunities Create Interest in Construction Jobs

7/28/15 <http://www.forconstructionpros.com/article/12092780/hands-on-training-opportunities-create-interest-in-construction-jobs>

Construction employment is up and the unemployment rate is dropping. Yet even with these positive numbers the construction industry is still facing a real threat of worker shortage with the lack of skilled laborers entering the industry.

Underground Infrastructure Projects

Construction on Sierra Tract Erosion Control Project to Start Soon

7/1/15 <http://southtahoenow.com/story/07/01/2015/construction-sierra-tract-erosion-control-project-start-soon>

The project will reduce erosion and sediment discharges in to the Upper Truckee River and Lake Tahoe. City planners and the contractor were on hand to present the building schedule and explain what residents will experience over the next two building seasons.

California Municipalities Launch Battle On Pipe Leaks

7/1/15 <http://www.prnewswire.com/news-releases/california-municipalities-launch-battle-on-pipe-leaks-300108000.html>

California is losing 10-percent of its water as it travels through a leaky water system. Cities throughout the state have launched a battle against leaky pipes. Key to winning this battle is the cost-effective choice of the best material pipe to be used.

Water Shutoffs Expected in Pipeline Project

7/2/15 <http://www.wayneindependent.com/article/20150702/NEWS/150709927>

Aqua Pennsylvania is tentatively scheduled to begin July 6 on a \$1.7 million project to replace 4,000 feet of old cast-iron pipe with new 12-inch cement-lined ductile iron pipe on Main Street, between 4th and 12th streets.

Water Main Break in Los Osos Gushes for Hours

7/3/15 http://www.sanluisobispo.com/2015/07/06/3710858_water-main-break-in-los-osos.html?rh=1

A construction company repairing old sewer lines in Los Osos struck a water main Monday, causing water to flow from a pipe for hours. Specialty Construction caused the break at Green Oaks Drive and Crest Avenue about 10:30 a.m

Work Proceeding, Change Orders Could be Coming for Lansdale Wastewater Plant Upgrades

7/6/15 <http://www.thereporteronline.com/general-news/20150706/work-proceeding-change-orders-could-be-coming-for-lansdale-wastewater-plant-upgrades>

Work is proceeding on upgrades to Lansdale Borough's wastewater treatment plant on Ninth Street, and two change orders for the roughly \$3 million project could be approved by council next week.

New Jersey American Water Spends \$3.7 million for Water and Sewer Main Improvement Projects

7/7/15 <http://www.haddonfieldsun.com/2015/07/07/new-jersey-american-water-spends-3-7-million-for-water-and-sewer-main-improvement-projects/>

New Jersey American Water has several water and sewer main improvement projects underway that will improve service to its new customers in Haddonfield. The company is spending approximately \$3.7 million

to replace more than two miles of pipe that is near the end of its useful life.

Miami Contractor Installs Underground Infrastructure

7/8/15 <http://www.constructionequipmentguide.com/Miami-Contractor-Installs-Underground-Infrastructure/25694/>

Recently, Miami Beach-based contractor David Mancini & Sons, Inc. (DMSI) was low-bidder to install two heavy precast pump station vaults for its hometown city of Miami Beach, Fla. The vaults were installed at 14th and 10th streets.

Water Main Bursts in Downtown Nashville

7/14/15 <http://wkm.com/2015/07/14/water-main-bursts-in-downtown-nashville/>

A water main broke in downtown Nashville late Tuesday afternoon, sending water rushing into the roadway. "Due to the location, other utilities must be given the opportunity to mark their underground infrastructure. Our crews will begin excavation as soon as this is complete," officials added

One Huge Pipe at Calaveras Dam

7/10/15 <http://wsipsunolvalley.blogspot.in/2015/07/one-huge-pipe-at-calaveras-dam.html>

As we busily work towards construction of a replacement Calaveras Dam, there are many fundamental issues we have to address. For example, given that the existing Calaveras Dam will be left in place when we are done, how will we be able to transport water out of the reservoir when the new dam is built?

UCLA Seeks \$13 Million in Damages After Water Main Break

7/20/15 http://www.cleaner.com/online_exclusives/2015/07/ucla_seeks_13_million_in_damages_after_water_main_break

Last year, a water main break on Sunset Boulevard spewed 20 million gallons of water into the surrounding community and caused major flooding on the UCLA campus. The university is now seeking \$13 million in damages from the Los Angeles Department of Water and Power.

Seattle Groundwater Pumping Damaged Water Main

7/28/15 http://www.yakimaherald.com/news/state_news/utilities-officials-seattle-groundwater-pumping-damaged-water-main/article_6a3b5321-03d3-5d5d-99ee-cbe6a230f8bf.html

Seattle Public Utility officials say a downtown cast-iron water main must be replaced after being damaged by the nearby Alaskan Way Viaduct tunnel replacement project.

Coal Ash

Lawsuit Seeks \$55 Million for Ailing Coal Ash Cleanup Workers

7/3/15 http://www.knoxnews.com/news/watchful-eye/lawsuit-seeks-55-million-for-ailing-coal-ash-cleanup-workers_12481014

A federal lawsuit seeking \$55 million in compensatory damages has been filed on behalf of 11 more workers who allegedly suffered health woes from prolonged exposure to toxic coal fly ash.

Get the Research Data Quantifying Pumice as the Ideal SCM Replacement for Fly Ash in Concrete

7/6/15 http://thenumbers.marketplace.org/publicradio/news/read/30204266/get_the_research_data_quantifying_pumice_as_the_ideal_scm_replacement_for_fly_ash_in_concrete

Supplementary Cementitious Materials (SCMs) are recognized and widely used to improve the performance of ordinary Portland cement (OPC) concrete, primarily in terms of strength and durability.

Fly Ash Bill to Get Vote Today

7/22/15 <http://www.theintelligencer.net/page/content.detail/id/638105/Fly-Ash-Bill-to-Get-Vote-Today.html>

The House votes today on a bill that seeks to clarify federal Environmental Protection Agency regulations pertaining to fly ash, and to firmly establish the by-product of burnt coal isn't a "hazardous substance."

TVA Properties go for More than \$9 Million

7/25/15 <http://www.roanecounty.com/content/tva-properties-go-more-9-million>

Sixty-two properties were sold at absolute auction by J.P. King Auction Co., a firm retained by TVA to publicize and sell holdings the federal agency purchased after the ash catastrophe, which released more than 5 million cubic yards of ash, a byproduct of coal burned at the Plant, into the environment.

Talen to Settle Martins Creek Fly Ash Spill Claims for \$1.3 Million

7/28/15 <http://www.styrk.com/posts/talen-to-settle-martins-creek-fly-ash-spill-claims-for-1-3-million>

Allentown-based Talen Energy has reached a \$1.3 million settlement with state regulators over the natural resources damage caused by a 05 fly ash spill at its Martins Creek Steam Electric Station in Lower Mount Bethel Township.

REGULATORY RESULTS

Water Infrastructure

Environmental Protection Agency | Final Rule | Revising Underground Storage Tank Regulations

7/15/15 <http://www.gpo.gov/fdsys/pkg/FR-2015-07-15/pdf/2015-15914.pdf>

The Environmental Protection Agency (EPA or the Agency) is making certain revisions to the 1988 underground storage tank (UST) regulation and to the 1988 state program approval (SPA) regulation. These changes establish Federal requirements that are similar to key portions of the Energy Policy Act of 2005 (EPAAct).

Department of Transportation | Final Rule | Pipeline and Hazardous Materials Safety Administration

7/23/15 <http://www.gpo.gov/fdsys/pkg/FR-2015-07-23/pdf/2015-17259.pdf>

Pursuant to the Pipeline Inspection, Protection, Enforcement, and Safety (PIPES) Act of 2006, this final rule establishes review criteria for State excavation damage prevention law enforcement programs as a prerequisite for PHMSA to conduct an enforcement proceeding against an excavator in the absence of an

adequate enforcement program in the State where a pipeline damage prevention violation occurs.

Fly Ash

Department of the Interior | Proposed Rule | Steam Protection Rule

7/27/15 <http://www.gpo.gov/fdsys/pkg/FR-2015-07-27/pdf/2015-17308.pdf>

We, the Office of Surface Mining Reclamation and Enforcement (OSMRE or OSM), are proposing to revise our regulations, based on, among other things, advances in science, to improve the balance between environmental protection and the Nation's need for coal as a source of energy.

LEGISLATIVE RESULTS

Drought Recovery

S.1837 | Introduced by Sen. Barbara Boxer (D-CA) | Drought Recovery and Resilience Act of 2015

7/22/15 <https://www.congress.gov/bill/114th-congress/senate-bill/1837/text?q=%7B%22search%22%3A%5B%22%5C%22water+infrastructure%5C%22%22%5D%7D>

To provide drought assistance and improved water supply reliability to the State of California, other western States, and the Nation.

H.R.2993 | Introduced by Rep. Doris Matsui (D-CA) | Water Recycling Acceleration Act of 2015

7/9/15 <https://www.congress.gov/bill/114th-congress/house-bill/2993/text?q=%7B%22search%22%3A%5B%22%5C%22water+supply%5C%22%22%5D%7D>

To amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize funding for water recycling projects in areas experiencing severe, extreme, or exceptional drought, and for other purposes.

H.R.2983 | Introduced by Rep. Jared Huffman (D-CA) | Drought Recovery and Resilience Act of 2015

7/8/15 <https://www.congress.gov/bill/114th-congress/house-bill/2983/text?q=%7B%22search%22%3A%5B%22%5C%22water+infrastructure%5C%22%22%5D%7D>

To provide drought assistance and improved water supply reliability to the State of California, other western States, and the Nation.