



ANNUAL REPORT 2022

DRIVING WEST VIRGINIA FORWARD



From the President



Five years ago, Governor Jim Justice asked West Virginians to cast their vote for the Roads to Prosperity bond amendment. They did so by an overwhelming majority – 73 percent. In June of that same year, the West Virginia Legislature approved increases in driver's license and vehicle registration fees and sales taxes that generate an additional \$135 million annually for the State Road Fund.

On November 15, 2021, President Joe Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law, the biggest U.S. infrastructure funding package in decades. IIJA provides over \$6 billion in funding for West Virginia's roads, bridges, water and sewer treatment facilities, abandoned mine land (AML) projects, broadband, airports and other infrastructure projects.

This year's cover photo of Corridor H represents the over 1,000 highway projects funded since 2019 through the Roads to Prosperity program totaling more than \$1.2 billion in bridge and highway construction projects. This is in addition to the major projects funded through bond proceeds, including the Coalfields Expressway, the widening project on the West Virginia Turnpike in Beckley, the replacement and rehabilitation of 26 bridges on Interstate 70 in Wheeling, Corridor H, and the Interstate 64 bridges in St. Albans.

IIJA provided a much-needed boost to the industry as our Contractors Association of West Virginia (CAWV) member firms have been busy

this year designing and constructing numerous projects funded by passage of the act. Many projects that are in design will be out for bid in the coming months.

These bills culminate years of work by the CAVW and our national affiliates, Associated General Contractors of America (AGC) and the American Road and Transportation Builders Association (ARTBA), to adequately fund West Virginia's vital system of roads, bridges, schools, water, wastewater, and other infrastructure. We would not have been successful without members who support the CAVW with their time, expertise, and dues.

This is an exciting time to be in the construction industry. Your support of this association has now set the stage for future opportunity. We have been working with our federal agency partners charged with overseeing the surge in funding, including administering new grants and designing new programs. We have been working with state and local agencies - from our transportation department to water and sewer utilities - to identify and execute the much-needed projects. This federal, state and local coordination has come amid continued challenges overseeing other expanded funding from the American Rescue Plan Act provided to West Virginia in early 2021.

The CAVW has long promoted the correlation between increased investment in infrastructure and creating jobs and improving the quality of life in all areas of our state. We are also proud to support the Department of Economic Development as they work tirelessly to promote the Mountain State. Moreover, CAVW members are working with companies that have already announced plans to locate in West Virginia. These include Nucor Steel, Berkshire Hathaway Energy Renewables, Owens & Minor, Pure Watercraft,

Mountaintop Beverage, Precision Castparts Corporation and Commercial Metals Company. We have always promoted the fact that businesses cannot locate in West Virginia if there aren't building sites with adequate infrastructure.

New funding for infrastructure projects and increased business expansion will provide thousands of jobs in construction. At this year's CAVW strategic planning session, the association's leadership placed a priority on attracting, educating, and developing our future workforce. Our Workforce Development Task Force has teamed up with the West Virginia Community and Technical College System to partner with schools around the state. The task force launched the BuildWV website which will be the "go to" online destination for information on construction careers.

The CAVW has a rich and rewarding history, 100 years to be precise. The association will celebrate its 100th anniversary in 2023 with functions, celebrations and the publication of a book chronicling members and the industry over the past century. Great leaders paved the way for the CAVW to become the respected and effective organization it is today. It is through our members of today that will chart the way for future generations of West Virginia construction firms.

As you review this year's annual report, please take time to reflect on what we have accomplished together. I look forward to making 2023 an even better year for our association, our industry, and our state.

Sincerely,



James Ridgeway
President

CAWV LEGISLATIVE ADVOCACY EFFORTS CONTINUE AT STATE CAPITOL

One of the primary benefits of membership in the CAVW is the association's robust participation in the legislative process at all levels of government and on a myriad of issues affecting the industry. At the state level, the West Virginia Legislature stayed busy throughout 2022, both in regular session and four special sessions. In the first special session, which occurred before the commencement of the regular session, the Legislature passed SB 1001, the West Virginia Industrial Advancement Act. The passage of this legislation immediately preceded the announcement that Nucor Corporation would build a state-of-the-art steel manufacturing facility near Apple Grove in Mason County.

Governor Jim Justice made numerous other economic development announcements

throughout 2022 including those projects previously mentioned by President Ridgeway, as well as an electric school bus manufacturing facility by GreenPower Motor Co. in Kanawha County, new distribution facilities by PepsiCo in Cabell County, and a facility to extract rare earth metals from coal impoundments by Omnis Sublimation Recovery Technologies in Wyoming County.

The regular session saw the passage of several bills of interest to CAVW members. Just to name a few, SB 530 modified the Public-Private Transportation Facilities Act approved in 2017. Among other changes, this legislation encourages highway public-private partnerships (P-3) where there is incidental coal extraction and coal severance taxes paid. This legislation provides the Commissioner of Highways with additional discretion in approving P-3's. SB 530

gives the Commissioner of Highways the latitude in approving public-private contracts and capped the total amount that may be spent on a P-3 from the State Road Fund at \$100 million.

Spearheaded by Speaker of the House of Delegates Roger Hanshaw, HB 4566 creates the Economic Enhancement Grant Fund administered by the Water Development Authority (WDA). This legislation permits the WDA to award grants to cover all or a portion of the costs of certain water, wastewater, economic development and tourism projects. In the second special session, the Legislature passed HB 217 which appropriates \$250 million to the WDA for this program. Under the rules, water, wastewater, economic development, and tourism projects approved by the WDA must be obligated by December 31, 2024 and must be spent by December 31, 2026. The bill has

provided additional funding to projects that have come in over estimates due to material price increases and supply chain shortages.

The passage of HB 4002 creates the Certified Sites and Development Readiness Program. It requires the Department of Economic Development to develop evaluation criteria and application processes for the new program, as well as review sites and report to applicants. Economic development officials have often cited the state's lack of site-ready parcels of land as a deterrent for companies wishing to locate a facility in West Virginia.

SB 611 passed very late on the final day of the regular session at the request of the WVDOH. This legislation permits the agency to continue accepting a 102% performance bond in lieu of retainage. The bill also capped the maximum amount of a performance bond at 110% of the contract amount. WVDOH is currently studying changes to its prequalification process that will give the division authority to reduce the bid amount for contractors that have a better performance rating and increase bonding requirements for other contractors.

HB 4502, the BUILD WV Act, provides tax incentives for approved companies to build housing for graduate and post-graduate and professional job holders, technical workers and entrepreneurs in up to three designated areas.

HB 4492 creates the West Virginia Division of Multimodal Transportation Facilities under the Secretary of the Department of Transportation to streamline work and reduce related costs by combining the following agencies under the new division: The Public Port Authority, State Rail Authority, Division of Public Transit and State Aeronautics Commission.

The Legislature passed another significant bill during the second special session that will have a considerable impact on the construction industry for years to come. SB 2001 creates the "Economic Development Project Fund" in the West Virginia Economic Development Authority (WVEDA). This legislation provides for "high-impact development projects" that meet specific requirements and thresholds. This comes on the heels of a \$600 million surplus appropriation to WVEDA for economic development projects.

Finally, in the fourth special session, the Legislature passed SB 4001 which creates the Certified Industrial Business Expansion Development Program. This renewable energy project incentive bill spurred the announcement that Berkshire Hathaway Energy Renewables and Precision Castparts Corp. would locate a manufacturing facility near Ravenswood in Jackson County. The fourth special session also saw the passage of SB 4002 which appropriated additional surplus revenue from the general fund into secondary road paving and equipment.

This highway funding bill directed \$150 million of Fiscal Year 2022 surplus revenue to the State Road Fund, \$125 million of which went to secondary road resurfacing covering 423-lane miles with a minimum of two projects per county. The WVDOH utilized the remaining \$25 million to purchase trucks and other equipment.

One CAWV legislative priority that did not pass this year was HB 4595, which would have permitted the use of a camera-assisted speed enforcement system in a work zone. The CAWV will likely revisit this legislative concept during the 2023 regular session.

CAWV AND HUB/PAC REMAINS ACTIVE DURING 2022 GENERAL ELECTION

West Virginia voters in the November General Election resoundingly defeated all four constitutional amendments on the ballot and will send the most Republicans to the Legislature in more than a generation. Passage of Amendment 2, for example, would have permitted the Legislature to modify the levy of tangible personal property taxes on business machinery, equipment, and inventory, along with the personal property tax on motor vehicles.

The GOP picked up seven seats in the State Senate and 10 seats in the House of Delegates, giving the Republicans control of 31 of the 34 seats in the Senate and 88 of the 100 seats in the House of Delegates. These expanded super-majorities in both chambers mean that the GOP will continue to possess the four-fifths votes needed to suspend the constitutional rules requiring bills to be read on three separate days.

HUB/PAC had another successful year for its endorsed candidates that pledged support for the contracting industry. All sixteen endorsed candidates running for the State Senate won election. In the House of Delegates, 69 of 73 candidates were successful. Overall, HUB/PAC-endorsed candidates had a success rate of 96%. When the Legislature convenes for its regular session on January 11, 2023, over one-third of the legislative membership will be new. The association will work to educate the new legislators on the association's legislative priorities and other issues that affect the CAWV membership. As always, CAWV will continue to advocate for investment in the state's infrastructure needs including broadband, highways, bridges, airports, schools, and expanding access to clean water and wastewater treatment systems.

TASK FORCE CONTINUES ITS EDUCATION EFFORTS ON CONSTRUCTION CAREERS

The Workforce Development Task Force continues to develop relationships and programs with West Virginia's community and

technical colleges and Career and Technical Education schools. The task force launched the BuildWV website program at the 2022 EXPO. The website will act as a "go to" online destination for information on construction careers and will be updated with an exciting new video produced for the CAWV that highlights why a young adult should choose a construction career path. The site also includes information on training, education, and career opportunities for students, adults and military veterans.

The task force will further its efforts with the West Virginia National Guard and the Governor's Jobs and Hope of West Virginia equipment operator training course. This year, the program added the Employer Reimbursement Program which allows an employer to be reimbursed for up to six months of salary when hiring a Jobs and Hope graduate.

CONGRESSIONAL FLY-IN RETURNS AFTER TWO-YEAR HIATUS

CAWV leaders traveled to Washington, D.C. in May to resume the annual CAWV Congressional Fly-In following a two-year COVID-19 hiatus. CAWV members thanked West Virginia's senators and representatives who voted for the IJA which generates \$6 billion to rebuild and repair West Virginia's infrastructure. Discussed were topics of importance to the industry, including streamlining the environmental permitting process, workforce development programs, B-2 Visas to register people for work, Build America, Buy America (BABA) Act requirements for products used in IJA projects, and supply chain and material cost increases affecting federal-aid construction contracts.

NATIONAL ASSOCIATIONS WORK TO STRENGTHEN THE CONSTRUCTION INDUSTRY

AGC and ARTBA worked for years to pass a meaningful infrastructure bill. The CAWV is working with state and federal contracting agencies to get these projects designed and out to bid. Many CAWV members have received contracts this year funded with IJA dollars. In addition, the AGC AmericaBuilds Workforce Campaign is helping its state chapters develop a new generation of construction workers. AGC is focused on providing vital workforce development resources to recruit, train and retrain workers. The national organization is pushing Congress for increased investments in career and technical education. AGC's Construction Advocacy Fund works to protect contractors from onerous regulations before Congress, including a Federal PLA mandate, expanding "site of work" definitions under Davis-Bacon wage requirements, and OSHA's general duty clause enforcement on heat hazards.

ARTBA brings together facets of the transportation construction industry to advocate for infrastructure investment. Litigation continues to be an essential part of their overall environmental and regulatory advocacy. ARTBA and its allies are defending in federal court recent improvements to the National Environmental Policy Act (NEPA) and "Waters of the United States" (WOTUS) rule - both of which are critical to accelerating the transportation delivery process. As part of the IJA's implementation, ARTBA will continue to utilize an interactive dashboard platform to highlight for members of Congress and the Biden administration the economic benefits of transportation investment and specific infrastructure projects underway or completed in West Virginia and all 50 states. CAWV member Michael Vecellio, vice president of the Vecellio Group and Vecellio and Grogan, Inc., was elected ARTBA's Southern Region Vice Chair at the association's national convention in Nashville, Tennessee.

CAWV PRESIDENT'S AWARD PRESENTED AT ANNUAL MEETING

This year's recipient of the CAWV President's Award was honored at the 2022 Annual Meeting at The Greenbrier. The award recognizes a member that has gone above and beyond in exceeding expectations and demonstrating excellence to help build a better West Virginia. This year's award focused on the initiatives that members have taken to provide outstanding contributions to their communities in West Virginia. CAWV recognized Bear Contracting LLC, Bridgeport, for the company's Building Hope program. Bear developed a charitable 501(c)(3) organization which is a two-part program that educates students on the many opportunities that the construction industry has to offer and promotes anti-bullying.

EXPO MAKES SUCCESSFUL RETURN

The West Virginia Construction and Design EXPO returned to Charleston after a two-year hiatus due to the COVID-19 pandemic. This year's event drew thousands of industry professionals on March 23-24 at the Charleston Coliseum and Convention Center. This year's focus was economic and workforce development which was coupled with events highlighting exciting projects, historic funding, and workforce enrichment. Attendees heard from officials with Nucor Steel of West Virginia and GreenPower Motor Company who laid out plans for their facilities coming to West Virginia which are anticipated to bring in billions of residual dollars to the state. Rep. David McKinley, R-WV, was a keynote speaker at the open-

ing session. Day two of the show featured a panel of state department leaders, as well as guest appearances by U.S. Senators Shelley Moore Capito and Joe Manchin, who gave insight into West Virginia's share of the federal infrastructure package.

This year, EXPO partnered with the West Virginia Department of Education to host a reverse job fair that showcased over 150 career and technical education students. Governor Jim Justice and Baby Dog also hosted a ceremony in the coliseum to celebrate the newest class of Jobs and Hope graduates.

CAWV SAFETY COMMITTEE SIGNS OSHA ALLIANCE AGREEMENT

The CAWV and the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) Charleston Area Office have established a collaborative relationship to foster safety and health practices and programs to improve construction site safety. OSHA's Alliance will provide CAWV members an opportunity to participate in a voluntary cooperative relationship with OSHA for purposes such as raising awareness of OSHA's initiatives, outreach, communications, training, and education. These alliances have proven to be valuable tools for both OSHA and participants and the CAWV Safety Committee initiated this agreement to benefit members with OSHA-related education and safety training. The Safety Committee also awarded 14 CAWV members safety awards in 2022 for their commitment to safety.

ASPHALT PAVEMENT ASSOCIATION CAPITALIZES ON NEW ENDOWED FACULTY CHAIR

In 2020, the Asphalt Pavement Association of West Virginia (APAWV), with membership pledges and donations, elevated its Asphalt Technology Professorship to an endowed faculty chair at Benjamin M. Statler College of Engineering and Mineral Resources at West Virginia University. This year, WVU, with APAWV influence, concluded the search to hire a new professor to fill the faculty position sponsored by this endowment. The Association announced that Dr. James Bryce would be filling the position held by Dr. John Zaniewski for 23 years. Dr. Bryce, a Ph.D. graduate of Virginia Tech, most recently was a professor at Marshall University in the Department of Civil Engineering. In addition, the endowment was renamed in 2022 to the Pat Parsons Asphalt Faculty Endowment in honor of the association's long-time executive director who helped establish the program in the early 1990s. The

Asphalt Technology Program at the Statler College exposes civil engineering students to the latest asphalt pavement technology, practices and materials. After fulfillment of pledges, the association's total giving will be \$1 million.

WEST VIRGINIA CONSTRUCTION NEWS CELEBRATES 85 YEARS

West Virginia Construction News marks its 85th year in publication. The official publication of the CAWV and the "Voice of Construction in the Mountain State", WVCN began in 1937 by P.J. Walsh, executive director of the West Virginia Contractors Association. WVCN was originally published twice a month and contained project bid information. Over the years, WVCN integrated more story content and now includes articles on major projects, construction issues, economic and workforce development, educational topics, CAWV member highlights, and association updates. The purpose of the publication remains: To present the views and objectives of the construction industry in West Virginia and to keep members informed of the activities of the association.

CAWV CHANGES LEADERSHIP AFTER 40 YEARS

After 44 years of service, CAWV Executive Director Mike Clowser announced his retirement at the end of 2022. Clowser joined the CAWV as Director of Member Services in 1979 and became Executive Director in 1983. He has served as Editor of *West Virginia Construction News*, the association's 85-year-old publication, since 1983. Under his leadership, the CAWV successfully worked with state and local governments and the West Virginia Legislature to create economic development and job opportunities statewide.

Jason Pizatella assumed the role of Chief Executive Officer on October 3. Pizatella, a native of Fairmont and graduate of West Virginia University and the West Virginia University College of Law, spent the past five years as an attorney with the West Virginia-based firm Spilman Thomas & Battle, PLLC as a corporate lawyer. He previously served as Deputy Chief of Staff to Governor Jim Justice, President and Chief Executive Officer of the Morgantown Area Chamber of Commerce, Deputy State Tax Commissioner, Acting Secretary of the Department of Revenue, Acting Secretary of the Department of Administration and Deputy Chief of Staff to former Governor Earl Ray Tomblin. Pizatella will be only the sixth person to lead the association since it was founded in 1923.