

2009-2010 Annual Membership Report

I would like to thank *President Greg McKinnon of Stoneway Concrete (again), the Board of Directors, our Committee chairs, & Committee members* for their support and contributions to the Association this year. Our agenda and activities remain a function of the economy and the strong D majorities in both the House and Senate. The proliferation of new rules and regs never seems to end. The 2010 Legislature opened and the Budget was the focus. Even though our markets are down, sales are way off and everyone is looking forward to a return to a "normal" economy, the need to respond to many regulatory events continued. Pres. McKinnon was instrumental in identifying ways our industry could address the new objectives of these changes and find a sliver of opportunity. Our Committees rolled up their sleeves and became actively engaged at the agency and local government levels; and made a difference. Goals and objectives were initiated based on what the economy, legislature and agencies gave us to deal with. Even with the rapid pace of issues presenting themselves, new strategies and objectives were put into place if even as a starting point. A number of committee members stepped up to help these efforts take shape, but we have much more to do and will need more expertise from within the membership. Having Pres. McKinnon invest the time and effort to recognize and share his professional experience and vision for opportunity is a significant compliment to our industry. Our ability to navigate issues, anticipate a reasonable outcome and reaction was improved. President McKinnon yields his second consecutive term as a President and we have benefited as a result of his commitment. To be successful, we must be adaptable, provide catalysts as necessary to engage our industry.

As in your business, the economy has sharply affected our *Associate Members*. Their expertise is our future as they supply our industry with new and improved solutions to increase our efficiency, productivity, and profitability. *On behalf of the Board of Directors, please remember the key role our Associates play in supporting your Association and I encourage you to support them first whenever possible.*

Bruce T. Chattin
Executive Director

In 2009 -2010; The Association responded to its core products, services, and overall mission.

Advocacy: (Governmental Affairs)

Legislative, Federal & State Agency, County relations, communications, strategic planning, media relations, relationships with affiliated industry and construction Associations, support and advocate role of the industry, our products, services.

- ◆ **Dept. of Ecology:** Ecology was the lead agency in promulgating legislation to align WA reporting protocols to reflect EPA reporting protocols. The BIG issue with Ecology is the NPDES renewal discussions. The Enviro Comm. dedicated much time to meeting with and stating industry positions on renewal elements. Ecology, however abandoned (again) their proposed position of minor modifications. We have continued to provide easy solutions to Ecology and continue to await some form of response. Member on NPDES Fee Task Force, and provided SEPA / GHG comments
- ◆ **Dept. of Commerce:** The industry group that met with CTED last year resulted in improved GMA language as it involves Mineral Resources lands and their equality to other Natural Resource Lands. The revised documents can be found in: WAC 365-190 Guidelines for MRL's. These were adopted late 2009.
- ◆ **Governor's Office:** Met sparingly this year as the issue of availability and state wide aggregate reserves diminished versus budget. Gov. staff recognizes the state needs to change their attitude to maintain a sufficient supply of construction aggregates for the future, but we need to assist in that attitude adjustment.
- ◆ **Dept. of Natural Resources:** No specific DNR legislation in 2010, however the Association did support the Dept. efforts to estimate and map permitted Aggregate reserves on a statewide basis. The effort holds considerable promise for us in making our case on the need for aggregate reserves. Initial estimates by some companies indicate DNR maybe overstating reserves by as much as 40-50% (due to formula & process). It was very difficult to get more companies to review DNR data and confirm their estimates. DNR lost funding for effort. We hope the effort will be renewed.
- ◆ **King County:** Working with KC producers, met with County Council members to challenge and reduce huge County Storm water fees. Have cut fee application period by 50%, working on language exemptions and MRL fee reductions.

- ◆ **Dept. of L&I: WAC 296-0127-18:** Prevailing Wage on R/M drivers. Went into effect Jan. 2, 2009. Strong consideration was given to a legal challenge, but analysis indicated the outcome would remain the same. The Association met with the AG's office on administrative procedure reviews. AG Conclusion, agency met the requirements under rule making. A very frustrating issue as its roots and intent are obvious.

2009 Legislative Session (60 days)

- ◆ The Association through our lobbyist; (*Steve Buckner, Millennia Public Affairs*) worked intimately within the Business and Construction network to keep budget writers from overreaching. 2010 Voting Record compiled for PAC contributions.
- ◆ **2ESSB 6143: The Big Tax Bill:** Multi-faceted in scope; created beer, soda, candy and other taxes. Almost \$800M in new taxes spread out over business community, and out of state businesses.
- ◆ **HB 2797: Mineral Severance Tax:** became a real Bill, Rep. Hunter; Finance Committee Chair did not give it a hearing, it will be back.
- ◆ **SB 6373: Aligns WA GHG** reporting protocols to reflect EPA GHG reporting protocols. Supported as it reduced impacts and burden to mandatory emission reporting.
- ◆ **Transportation:** Secures funding and appropriation for \$887M in new projects and establishes economic vitality as a required 6th planning goal element.
 - ◆ **Other Bills that Passed:**
 - ◆ **SB 6557: Copper Brake Pads:** removes use of copper in brake pads beginning in 2015 and later dates for trucks based on safety data.
 - ◆ **SB 6173: Reseller's Certificates:** Changes sales tax collections. Worked with the agency to revise regulatory language to clean up implementation challenges and create improvements.
 - ◆ **HB 1413 GMA & SMA Acts:** Due to 2 State Supreme court cases with different results and a 3rd case pending on which Act trumps in the Shoreline area, agreement reached to preserve rights of existing structures.
 - ◆ **Bills that did NOT Pass:**
 - ◆ **SB 6010:** stated a preference for WA State Lumber products over other construction materials as well as out of state lumber products. 2nd year this has been defeated. Likely to be back.
 - ◆ **HB 3181: MTCA or Storm water tax:** Defeated Enviro #1 priority, would have increased tax on petroleum products to deal with Storm water
 - ◆ **ESHB 1393 Home Warranty Bill:** Bill died early in session, but will be back.
 - ◆ **HB 2950 / SB 6638: Workers Comp reform:** did not get hearings. BIAW Initiative 1082 to appear on the November ballot.

- ◆ **HB 2920 / SB 6587: Unemployment Insurance Reform-** did not get hearing
- ◆ **Focus on Aggregates:** Board approved an update to the 2003 PLU Economic impact study of the Aggregates Industry. Initial effort was to update state production, estimate future reserves and consumption trends. DNR efforts stalled due to lack of funding, industry reluctant to review data for accuracy.

Governance:

Day to day operation of Association business affairs, staff, and Committee structure.

- ◆ In addition to managing our Association, WACA also manages the WA. Chapter of ACL. Functions include: Board of Director obligations, conducting 9 monthly chapter meetings, 2-4 National seminars and coordinate 3rd Annual Ken Foot Golf tournament in 2010.
- ◆ WACA Executive Director also serves as an Association representative on the AWB Board of Directors and 3 AWB Committees

The Association coordinates 7 Committees;

- ◆ **Safety Comm.:** Conducted 10th Annual MSHA Part 46 Training in 7 statewide sessions Jan. through March 2010. 483 miners trained. Made presentation and co-sponsored 3rd Annual Supervisors Training at EWU, 140 attending. Conducted May Return Roller workshop with agency, and becoming active at the national level to deal with MSHA issues. Very frustrating issues, no simple solutions.
- ◆ **RETRO Advisory Committee:** monitors growth and performance of Association RETRO program with our RETRO TPA advisors, review enrollment and manage reserves for future adjustment periods.
- ◆ **Sustainability Comm.:** Worked to establish information for website page and legislative messages. Page remains under construction.
- ◆ **Promotion Comm.:** Previous brochure was revised and distributed. Participated in school architect conference.
- ◆ **Enviro Comm.** Met with Ecology on NPDES renewal, new source performance standards for portable equipment and PSAPCA regarding new agency rules for crushers and portable equipment.
- ◆ **Aggregates Comm.** Selectively worked with DNR on estimating statewide reserve efforts.
- ◆ **DOT & Technical Comm.** Progress made with DOT on SCC testing and acceptance, initial discussion on defining Concrete Mix design Performance criteria, revised certain Aggregate product specs, Use of integrated limestone in cement, address changing fly ash situation and usage of slag and other DOT mysteries. Second committee established to guide the DOT on recycled aggregates and concrete. Met with City of Seattle DOT on same recycling issue.



Education:

Committee planning and activities, Administer and implement National programs, develop, administer and implement Association meetings and events, maintain Technical Library, provide technical resources to Members, develop technical, promotional, or general publications as necessary, deliver ACI & NRMCA certification programs, expand educational opportunities.

- ◆ **AWB Business Week:** Participated in Business Week held at CWU to promote careers and employment opportunities to HS students in the sand, gravel and concrete industry. Included a tour of Ellensburg Cement Products and students making pervious concrete stepping stones.
- ◆ **NRMCA Concrete Driver Professional (CDP)** No classes conducted this year
- ◆ **ACI Certification:** Conducted 20 sessions in Field, Flatwork, Tilt Up (new), Aggregates, Finisher, Lab and Strength Testing including Alaska. 383 Exams administered.
- ◆ **NRMCA Pervious Certification:** NRMCA Pervious Certification conducted 8 classes and trained 101 attendees including Cement Mason / Local 528. Added 6 Pervious Craftsman; *Concreteman Inc.* Article published in NRMCA IN-Focus on their achievement.

Traditional Association meetings:

- ◆ **Legislative Retreat:** Provides PAC strategy, Legislative Issues reviewed by Board of Directors & Legislative Comm.
- ◆ **Winter Workshop:** Due to the economy and overall industry belt tightening, was not conducted. Wish to consider for Fall 2010
- ◆ **Legislative Workshop & WCIC Reception:** Bronze sponsor to AWB 2010 Leg. Reception.
- ◆ **42nd Annual Excellence In Concrete Construction Awards:** April 2010 / Bellevue Hyatt Regency. 243 attended. Presented 59 Category awards and 42 Runner up certificates in 12 categories and a special award in "The Concrete Community Award" category.
- ◆ **Family Summer meeting:** July 2010 / Chelan

Seminars:

- ◆ **Economic Tri-Fecta:** Conducted affiliated industry seminar on the regional economy; with John Mitchell, State economist Dr. Arun Raha and PCA economist in October. 65 attended.
- ◆ **Energy Efficiency Conference:** Conducted a workshop on conservation programs of PSE, Seattle City Light

and Sno Cty PUD . Grant programs to save plants and operations cash and operating costs based on conservation and energy modification programs. 55 attending.

- ◆ **MSHA Workshop:** Safety Committee and agency to address Return Rollers, Horn Policy, and Rules to Live By.

Communications:

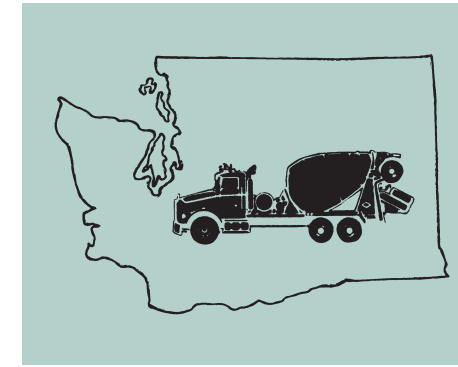
Maintain regular Association member communications network by traditional and electronic means, Member Directories, media relations, coordinate with National Associations.

- ◆ Published 3 issues of *FAST TRAX*, and 6 editions of the electronic newsletter; *e-TRAX*. 2009—2010 directory published.
- ◆ ***www.washingtonconcrete.org*:** Complete redesign and look of website, added Member Only area, Company info update capabilities, added Sustainably section, Forum area and expanded Pervious Section. *Check it out !!!*

Membership Services:

Bring value to membership, RETRO program, deliver national programs, events and services, Create and grow Industry network & membership, highlight Associate's products and services to Producer members, Promotion of Industry image, products, & services.

- ◆ **Material Supply Agreement:** Members created a supplier agreement document deigned for material suppliers versus subcontractors. Provides template for producers to address issues as they relate to your businesses. Posted in Members Only area.
- ◆ ***www.concretethinker.com*** promotes web based sustainable & LEED resources for cement and concrete products. Designed in PNW.
- ◆ **RETRO program:** Association Worker's Comp. Program, 58 companies w/premium base at \$3.0M. Quarterly newsletter, mandatory safety seminars conducted, complete claims management services. Refund levels remain high: Plan year 2006—2007: 34.9%, 2007—2008: 30.9% and an assessment of 15% in 2008—2009. Over \$397,000 in refunds have been distributed in 2010 and over \$882M held in Reserves *For info Contact : ERNW: 800-433-7601 ext 804; Craig Smith.*



42ND ANNUAL SUMMER FAMILY MEETING

JULY 16, 17, 18, 2010
CAMPBELLS RESORT • CHELAN

Washington Aggregates
and Concrete Association

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