

May 11, 2026



INDUSTRY NEWS

Navigate CMMC with Confidence at AGC Demo Day & FedCon

By Dustin Steiner, Executive Vice President

Are you a federal contractor?

Are you **Cybersecurity Maturity Model Certification (CMMC)** compliant?

Are you sure? Have questions?

AGC of America (AGCA) is hosting a **Construction Demo Day on May 21** where you can find out and work through issues you may encounter. This *free* virtual event will provide small- to mid-size contractors with a valuable opportunity to explore multiple solutions in a low-pressure, interactive environment. Each 30-minute demo session includes live chat Q&A, ensuring you gain insights and can ask questions in real time. To learn more or sign up, [click here](#).

Need more information on CMMC? Visits AGCA's [CMMC Resource Center](#).

There is still time to register for **AGC's Federal Contractors Conference, aka FedCon**, which takes place June 8-10, in our Nation's Capital. For more information or to register, [click here](#).

Doing the Same Thing Expecting Different Results

By Mike McManus, Director of Engineering Construction & Industry Relations

The City of San Diego's Independent Budget Analyst (IBA) issued a [report](#) that analyzed the mayor's proposed FY 2027 Budget. Several things really stood out in his report. The first is the state of the City's Pension Fund and the second was the dire, and getting worse, situation related to the City's infrastructure. But despite these facts, the Stormwater and Transportation Departments are spending vast sums of money doing construction projects with City forces. The projected structural deficits for years to come should be a wake-up call to do something different since the city keeps doing the same things over and over, expecting different results.

The FY 2027 Proposed Budget includes \$563.2 million for the City's defined benefit pension payment, a \$30.0 million increase from FY 2026. The General Fund portion is increasing by \$18.0 million, to \$396.1 million, this amount is called the Actuarially Determined Contribution (ADC). The ADC this year is significant: the ADC is 17.7% of budgeted expenditure for the General Fund. The most significant factor for the year-over-year increase to the pension payment was that salary increases were higher than expected in FY 2024.

According to IBA, The City faces a \$7.81 billion funding gap in needed infrastructure repairs over the next five years, an increase of \$1.31 billion, or 20.1%, over last year's capital outlook. This increase is overwhelmingly driven by failing underground drainage pipes. The Proposed Capital Improvements Program (CIP) Budget includes \$52.5 million for stormwater, but \$30.0 million is set aside for emergency projects – which are typically more expensive and less efficient than planned work. This FY year \$40.7 million is expected to be spent on stormwater emergencies. Emergency repairs have been a growing concern for a number of years, growing substantially from \$8.9 million in FY 2021 to \$93.6 million in FY 2025, totaling almost \$200 million during that five-year period. Continued reliance on emergency projects to address stormwater infrastructure increases the city's financial and legal risk.

Emergencies are particularly disruptive because emergency contracts can only address immediate problems, and cannot provide for larger, systemic fixes. Reducing emergencies is a major goal, but limited resources make this difficult.

The City has been using enormous resources for funding city crews for repaving streets, yet the condition of the city's streets continues to worsen. For FY 2027, there were \$229.3 million in street paving capital needs. But only \$27 million is funded in the proposed CIP. As a result, the city's pavement condition index (PCI) is expected to drop from 65 this year down to 63, which is considered the low end of "Fair". For slurry seal, city forces are expected to spend \$39 million in FY 27, with the funding coming from the Road Maintenance and Rehabilitation Act (RMRA). City crews doing overlays and road reconstruction will have their funding cut from \$59 million in FY 2026, which was mostly borrowed money, to \$19.9 million in FY 2027.

The summary of the road condition situation is that the city has been funding city employees doing road reconstruction projects for years and the PCI continues to decline. Albert Einstein was credited with saying "Insanity is doing the same thing over and over again and expecting different results". That may apply here.



The San Diego County Water Authority Project Labor Agreement

By Adrianna Lopez, Director of Labor Relations

On covered projects, the [Water Authority Project Labor Agreement](#) replaces a contractor's normal hiring practices with mandatory rules governing worker sourcing, core employee limits, hiring hall dispatch, local and targeted workforce participation, and apprenticeship ratios. These requirements have direct cost and staffing impacts that must be considered before bidding.

So gear up, take a deep breath, and let's dive into it.

WHAT PROJECTS THE PLA APPLIES TO

The PLA applies to Capital Improvement Program construction projects with an estimated construction contract award value of \$1 million or more, unless the Water Authority Board of Directors specifically excludes a project. Once designated as covered, the PLA applies project-wide and cannot be avoided by tier, scope, or contract size.

WHAT WORK IS COVERED, AND WHAT IS NOT

Covered work generally includes on-site construction labor performed under a covered contract, including temporary on-site fabrication, project-dedicated batch plants, and certain on-site surveying and inspection work. Excluded work includes off-site fabrication, material deliveries, off-site hauling, professional and administrative personnel, warranty work, and specialized technical services outside union jurisdiction.

UNION RECOGNITION AND HIRING HALL REQUIREMENTS

Contractors performing covered work must recognize signatory craft unions and utilize union hiring hall dispatch procedures. Hiring hall referral is the default sourcing method, replacing a contractor's customary at-will hiring practices for covered work.

CORE EMPLOYEE RULES

The PLA allows limited use of a contractor's existing workforce, known as core employees. Core employees must meet specific eligibility criteria, are limited by craft and crew size, and remain subject to PLA terms. Once core limits are reached, additional workers must be obtained through the hiring hall.

LOCAL AND TARGETED WORKER GOALS

The PLA establishes minimum participation goals for Local Workers and Targeted Workers. These goals influence dispatch order, crew composition, scheduling, and reporting. Contractors should plan accordingly during manpower planning to minimize disruption.

WAGES, BENEFITS, AND APPRENTICESHIP UTILIZATION

Covered work is subject to applicable prevailing wage laws, master labor agreements, and required fringe benefit contributions. Contractors must employ registered apprentices at required ratios through approved programs and comply with all apprenticeship utilization rules.

NO STRIKES, NO LOCKOUTS, AND DISPUTE RESOLUTION

The PLA prohibits strikes, slowdowns, work stoppages, and lockouts. Contractors are required to follow established grievance and dispute resolution procedures, which limit unilateral responses to labor disputes.

COMPLIANCE AND OVERSIGHT

A Project Labor Coordinator designated by the Water Authority oversees compliance. Contractors should expect workforce reporting requests, compliance reviews, and enforcement independent of prevailing wage audits.

FINAL WHISTLE

For contractors, the Water Authority PLA is an operational framework that directly affects bids, staffing flexibility, and project execution. Understanding when it applies, how core rules function, and how workforce requirements affect labor planning is essential before pursuing covered work.

*Have a PLA question or a recommendation of another local PLA to explain?
Email me at alopez@agcsd.org*



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GIVING BACK



From Pages to Paws - Community in Action

We gathered books so dreams could grow,
For students' minds to spark and glow.

We lined the path with cheers so true,
For every walker passing through.

In books that open minds to see,
And a walk for animals that build community.

In simple acts, both big and small,
We found there's meaning in it all!

We Need Your Help - Sign Up by May 22!

AGC Build and Serve Charitable Alliance is supporting [Just in Time](#), helping six former foster youth turn a new apartment into a home, and we need your help!

Interested in participating? Here is a quick summary of what you should know:

Date: June 13

Starting Location: Grantville/Mission Valley

Arrival (Shoppers & Movers): 8:30 AM - 1:30 PM

Arrival (Drivers): 10:00 AM - 1:30 PM

Shoppers guide participants in selecting items. **Movers** assist with heavy lifting to load and unload items. **Drivers** use their own large vehicle (SUV, truck or van) to transport



furniture and supplies.

Sign-up Deadline: May 22

Please contact [Marcy Knopman](#) to register for your preferred role.



May 19 - [Bags & Brew: Meet Your GC Cornhole Tournament](#) - AGC Lakeside HQ

June 1 - [Build San Diego Foundation Golf](#) - The Heights Golf Club - **Sponsor Now!**

June 23 - [AGC Baseball Bash](#) - Petco Park



Job Seekers and Employers Sign Up Today!

AGC San Diego and Build San Diego's first **Construction Hiring Event** is coming June 30 to help our member companies fill any and all open positions!

Whether you plan to fill your positions beforehand or want to see what's out there for you, [sign up](#) today to get access to the event.

[Share this flyer with all interested parties today!](#)

Questions? Contact [Ilka T. De León](#), Executive Director of Build San Diego Foundation, or [Katie Hammock](#), AGC SD Vice President of Operations.

COMMITTEES / COUNCILS MEETINGS

MAY 2026

May 13 - **Workforce Development Committee** - 11:30 AM - *Virtual*

May 13 - **Build & Serve Committee** - 8:00 AM - *Virtual*

May 29 - **Construction Technology Committee** - 11:00 AM - *Virtual*

JUNE 2026

June 2 - **City of San Diego** - 9:00 AM @ *City CMFE Office*

June 3 - **Safety Committee** - 7:00 AM - *Lakeside*

June 11 - **Specialty Contractors' Council** - 11:30 AM - *Lakeside*

June 11 - **Construction Leadership Council (CLC) Sip 'N Social** - 5PM @ *The Golf Bar*

June 12 - **Caltrans/SANDAG Liaison** - 7:30 AM @ *Caltrans office (4050 Taylor Street)*

June 16 - **Affiliate Members' Council** - NOON - *Lakeside*

Committee Meeting
Calendar

Get Involved - Join a
Committee

EDUCATION / SAFETY TRAINING



STOP THE FALL
LAST CHANCE TO SAVE 25%
Fall Protection 24-Hour Competent Person Training
EM 385-1-1 + Rescue Training

22 PEOPLE
HAVE ALREADY BEEN TRAINED AND CERTIFIED
IN THE PAST 3 WEEKS!

USE CODE: **STOPTHEFALL25**

OFFER ENDS SOON
DON'T MISS OUT!

ENROLL NOW
WWW.AGCSD.ORG

Fall Protection Training Last Chance to Save 25%

In the past three weeks alone, 22 construction professionals have already completed AGC San Diego's Fall Protection Training and earned certification as part of our Construction Safety Week campaign.

There's still time to join them and save 25% OFF our:

[Fall Protection 24-Hour Competent Person Training EM 385-1-1 + Rescue Training](#)

That's almost a \$200 savings for each registration!

This advanced hands-on course is designed for construction safety professionals, foremen, superintendents, and competent persons responsible for fall protection compliance on commercial and federal construction projects.

Course Highlights

- EM 385-1-1 Compliance
- Fall Hazard Identification
- Rescue Procedures & Planning
- Hands-On Rescue Simulations
- Equipment Inspection & Application
- Competent Person Responsibilities

Federal and high-risk construction projects continue to demand properly trained competent persons. Make sure your team is prepared.

Use Promo Code: STOPTHEFALL25

Questions [email our training department](#) or call (858) 731-8158.

Interested in being a leader in safety for AGC? We're hiring a **Safety Compliance Manager!** [Spread the news and share this listing today!](#)

MAY TRAINING SCHEDULE

- May 12: **Excel Intermediate** (*Ferris Square*)
- May 12: **Fall Protection 8-Hour Competent Person** (*Ferris Square*)
- May 13: **E-Learning: Fall Protection Competent Person EM 385 Refresher** (*Online*)
- May 13: **Introduction to AI for MS Excel** (*Ferris Square*)
- May 14: **Microsoft Word Beginner** (*Ferris Square*)
- May 18: **MS PowerPoint Beginner/Intermediate** (*Ferris Square*)
- May 18 - 20: **Fall Protection 24 Hour for EM 385-1-1** (*Ferris Square*)
- May 18 - 22: **E-Learning: Primavera P6 for Government Contracts 5-Day** (*Online*)
- May 19: **Excel Advanced Training** (*Ferris Square*)
- May 20: **MS Project Professional: Beginning/Intermediate** (*Ferris Square*)
- May 20: **Foreman & Superintendent Bootcamp** (*Lakeside*)

May 20: CPR/First Aid & AED Certification (Lakeside)
May 20 & 21: Construction Quality Management for Contractors (CQM-C) - (Online)
May 21: Adult Mental Health First Aid (Lakeside)
May 21: Microsoft Word Intermediate (Ferris Square)
May 21: Silica Dust Competent Person Training (Lakeside)
May 26: Chat GPT/Copilot for MS 365 Intro (Ferris Square)

[DOWNLOAD MAY TRAINING SCHEDULE](#)

Classes are held at our **Ferris Square** location in Sorrento Valley, our AGC Headquarters in Lakeside, or online.

[VIEW TRAINING CATALOG](#)

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Lakeside, CA 92040
(858) 558-7444
[DIRECTIONS](#)



AGC Government Affairs Office & Safety Training Center
6212 Ferris Square
San Diego, CA 92121
2nd floor
[DIRECTIONS](#)

About Monday Morning Quarterback

AGC San Diego Chapter's Monday Morning Quarterback is a "hot off the press" and to the point Monday morning briefing on the important issues facing San Diego's construction industry. It is prepared by AGC Chief Executive Officer, Eddie Sprecco, and Vice President Government & Industry Relations, Dustin Steiner.

Please contact [Eddie Sprecco](#) or [Dustin Steiner](#) with your comments, or with information that should be conveyed to the industry through this service. Well over 3,000 individuals employed by AGC member firms are part of this system.

Disclaimer: Information and advice provided by AGC San Diego staff is general and not a substitute for legal counsel. Before applying any recommendations or policies to your business, consult a licensed attorney familiar with your specific circumstances.

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The Associated General Contractors, San Diego Chapter, Inc. | 10140 Riverford Road | Lakeside, CA 92040 US