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June 26, 2023

Senator Dave Cortese, Chair
Senate Labor, Public Employment and Retirement Committee
1021 O Street, Room 6740
Sacramento, CA 95814

RE: Assembly Bill 338 (Aguiar-Curry) - OPPOSE

Dear Chair Cortese:

On behalf of the Mountain Counties Water Resources Association (MCWRA), we write to respectfully oppose Assembly Bill 338 relating to public works. AB 338 seeks to expand the definition of “public works” to include fuel reduction work paid for in whole or in part out of public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural road fuel breaks, fire breaks, and vegetation management. We request to be part of the working group and to be involved in the discussions as you amend this legislation to address the concerns raised in Governor Newsom’s veto message of AB 1717 (2022). While we support the goal of bringing high-quality jobs to rural areas, we believe an alternative solution is needed.

MCWRA advocates for the water interests of its 58 members in 12 of the mountain counties within the Wildland-Urban Interface (WUI) of woodland and forested lands in the Sierra Nevada. These foothill and mountain areas contain the headwaters for 40% of the state’s developed water supply, which also provides for hydropower production, irrigation, recreation, water recycling, tourism, and instream flows that fuel the engine of our State’s economy. Megafires continue to threaten MCWRA communities, water resources, and the state’s overall water supply. Increasing the pace and scale of forest management projects on these lands is critical to protecting California’s forested watersheds.

AB 338 runs contrary to the goals and objectives outlined in California’s Wildfire and Forest Resilience Action Plan, which state “bolder action is required to address the key drivers of catastrophic fires, significantly increase the pace and scale of forest management, and improve the resilience of increasingly threatened communities.” Instead, AB 338 would likely slow and substantially increase the costs of fuel reduction projects – particularly in disadvantaged communities. Moreover, this legislation is extremely detrimental to restarting the forest products industry, a necessary step to properly addressing vegetation management and its byproducts. In addition, this

progression into the labor market would set a concerning precedent, promoting the same approach and results toward rising labor costs to be taken in other forest and related industry sectors. Also, enacting this type of legislation will have the unintended consequences of stifling innovation and competition in a developing industry that needs flexibility and fewer restrictions to promote advancement – further impacting California’s rural and disadvantaged communities. Further, fire mitigation projects are critical to creating defensible space and supporting efforts to keep rural communities safe from the ever-increasing fire risks.

In addition, MCWRA is concerned that treating this type of fire mitigation work as “public works” will subject this important work to a regulatory regime that may act as barrier to local and small businesses competing for, and performing, these projects. The various requirements associated with being a “public works” contractor, such as registration with the Department of Industrial Relations and maintaining and submitting certified payroll records, may effectively preclude the local mountain counties workforce from being considered qualified to perform fire mitigation projects moving forward. This will in turn further impact rural and disadvantaged communities and reduce the pool of businesses that are available to perform these projects.

Given the increasing threat of megafires, it is ill-timed and counter-productive to introduce additional barriers to implementation of fire mitigation projects in communities that desperately need public funds to complete these projects. It is for these reasons that the MCWRA opposes AB 338. Should you have any questions about our position, please feel free to contact Justin Caporusso, Executive Director at (916) 412-0571.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Ratterman", with a long horizontal flourish extending to the right.

Scott Ratterman, President
Mountain Counties Water Resources Association