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Transmitted via electronic transmission

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September 8, 2023

The Honorable Cecilia Aguiar-Curry  
State Capitol, Room 6350

Sacramento, CA 95814

#### **RE: Assembly Bill 338 (Aguiar-Curry) - OPPOSE (UPDATED)**

Dear Assembly Member Aguiar-Curry:

On behalf of the Mountain Counties Water Resources Association (MCWRA), we write to express our opposition to Assembly Bill 338 relating to public works following the late release of proposed amendments on September 7, 2023. The latest proposed amendments remain insufficient to address MCWRA's concerns. The proposed bill would inhibit the growth, pace, and scale of forest management work that needs to be conducted in California, and interfere with small communities' ability to complete timely fire mitigation projects to safeguard residents and infrastructure or retain local workforce.

We support policies that would bring high-quality, good paying jobs to rural areas; however, without meaningful and dedicated resources from the state, the financial impacts the legislation imposes will significantly reduce the ability to achieve our shared goals of effectively managing forested lands and preventing wildfire.

This legislative approach is premature, and we believe that a robust wage data survey must be completed before advancing this legislation. In addition, we believe the following amendments are necessary to avoid derailing the Governor's California Wildfire and Forest Resilience Action Plan:

- Increase the contract exemption threshold to a minimum of \$5 million (e.g., 2,000-acre project size at \$2,500/acre average cost) (adjusted annually) to facilitate the start-up, pace and scale of private industry enterprises necessary to achieve effective fuels management.
- Extend the implementation start date to 2035, then phase out the \$5 million threshold over the course of 5 years.

Because the fuels management industry is immature, it needs both time and flexibility to develop and grow before the regulatory burdens of prevailing wage are imposed. Without entrepreneurial opportunities, we are extremely concerned that this legislation will prolong the continuing wildfire threats to lives, homes, and livelihoods in California's rural communities.

As previously discussed, 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 slow and substantially increase the costs of fuel reduction projects – particularly for rural and disadvantaged communities with limited workforces. Fire mitigation projects are critical to creating defensible space and supporting efforts to keep rural communities safe from the ever-increasing fire risks.

Moreover, this legislation is extremely detrimental to restarting the forest products industry, a necessary step to properly addressing vegetation management and its byproducts. 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. Enacting this type of legislation will have the unintended consequences of stifling innovation, economic investment, and competition in a developing industry that needs flexibility and fewer restrictions to promote advancement – further impacting California's rural and disadvantaged communities.

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.

It remains premature and counter-productive to introduce additional barriers to implementation of fire mitigation projects in communities that desperately need these projects to advance at an accelerated pace and scale. 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,



Scott Ratterman, President  
Mountain Counties Water Resources Association

Cc: Wade Crowfoot, Secretary, California Natural Resources Agency  
Senator Portantino, Chair Senate Appropriations Committee  
Board of Directors, Mountain Counties Water Resources Association  
Legislative Committee, Mountain Counties Water Resources Association