



December 12, 2022

"CONSTRUCTING A WAY FOR A BETTER FUTURE"

ECA NEWSLETTER

JOHNS SOAPBOX



Are Oil Companies Ripping Us Off in California?

John's Soapbox, I am stating the opinion of myself in this Soapbox

This soapbox is not intended to shine a light on big oil and give an "in-depth" expose of hidden profits or hidden costs. It is intended to provide my personal opinion on why we pay around \$1/gallon more in fuel per gallon cost in Ca compared to almost anywhere else (including Hawaii who has zero refineries and has to bring all their fuel in via tankers on the ocean).

We pay more in California because the oil companies are gouging us, and because regulations cost more per gallon in Ca.

Some on the "Right" will say it is higher costs because of Biden's anti oil company policies. They are partly correct. Some on the "Left" will say oil costs more in California because oil companies are ripping us off. They are partly correct.

Since we can do very little about the price of fuel in any regards, this soapbox is intended to be informative and hopefully we will all dig a little deeper in facts as we develop our opinions.

It is my opinion that (at times) big oil companies charge more for fuel in California than they should. I base that on the following:

- a. Crude oil makes up 42% of the price of a gallon of fuel in Ca (around \$1.93/gallon)
- b. Distribution and marketing for fuel in Ca costs are about \$1.20/gallon
- c. State taxes and fees are around \$0.66/gallon
- d. Federal taxes are around \$0.18/gallon
- e. Refineries charge around \$0.59/gallon in profit and cost
- f. The total cost per gallon is \$4.56/gallon based on those numbers (source Los Angeles Times this weekend-[California gas prices: 4 charts explain why they're so high - Los Angeles Times \(latimes.com\)](#))

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Fuel prices should cost a bit more in California than in other states because regulations require a special blend of fuel that cost refineries a little more to produce. Those costs are around \$0.15/gallon more. California also has higher taxes and fees than other states of around \$0.66/gallon. It is pretty logical based on those two costs that Ca should have fuel prices around \$0.81/gallon higher than other states. Most of the prices of fuel in Ca are, for the most part, fixed. Crude makes up around 42% of the cost so as crude goes up, so does the price at the pump. If crude goes up 20%, and the cost of fuel at the pump is \$5/gallon, we would expect the price at the pump to go up around \$.45/gallon, not \$1.50/gallon (20% of 42% price rise for those algebra experts!).

Why do oil companies charge more for a gallon of gas in California than they should?:

Because they can.

Well now, isn't that a brilliant opinion?

What the trend is now, is to change the "they can" to "they can't". There are several bills coming out of Sacramento demanding a windfall tax on big oil that is already having an impact on fuel prices at the pump. Big oil hears the "political footsteps" and has lowered prices at the pump in order to, again in my opinion, head off the legislation before they are forced to comply.

Could more drilling solve part of the problem? Of course- if, and only if, more drilling in Ca were combined with the following:

- A. issuing permits for transmission lines to get the crude to transport facilities and on to refineries
- B. taking risk of losing fuel sales out of the equation in about 10 years so that big oil would build more refineries that were more efficient (we have gone from around 50 refineries in Ca to now 10 in the last 25 years)
- c. make it attractive for big oil to actually invest in the infrastructure rather than demand they do so with the certainty that fuel consumption will drop in about 13 years due to climate change requirements on electric vehicles. Who wants to invest billions of dollars in a market that is getting squeezed out of existence?

Sigh-so the bottom line is this: you pay more in Ca and will continue to do so for the near and long-range future.

During my research, I did find some interesting tidbits, and they are primarily where Ca gets its crude oil from. In the chart shown in the link below, you will see 6.4% came from Russia and that was before Ukraine. Ca only gets about 3.4% of its crude from Russia today.

Enjoy reading where Ca crude comes from!

[Foreign Sources of Crude Oil Imports to California 2021:](#)

Continued on page 3

Who knew Ecuador was our biggest supplier? I did not. The other number that was significant, was the % of California oil that comes from foreign countries: 56.2% in 2021 compared to 5% in 1992. I find it totally understandable given the environmental history of California. Californians were faced with LA smog and acid rain and chose to pay more for gas to clean up their air.

After all of that-are big oil companies ripping us off in Ca? Hmm-mm-what do you think after reading this soapbox?

That's All Folks!

John

COMMITTEE NEWS

Golf Committee-the Tournament is set for Friday July 21, 2023. We will be going back to Windsor Golf Course.

Spec Committee-Chairs Casey Wood of GBI and Dale Smith of RCX wanted to let you know the next Spec Committee Meeting will be held on January 18, 2023, at the NCBE Board Room from 3:30-5:00pm.

Car Show Committee- Chair Walt Turner would like to announce the first Show and Shine Car Show Committee Meeting on Thursday, January 12th from 4 pm—5:30 pm at 1030 Apollo Way.

Auction Committee--Incoming President Antonio Mencarini has been busy meeting with Bricoleur Winery Director Chris Richard to see if we can have our auction at this 5-star winery on Starr Road in Windsor. Negotiations are taking place this week to sign a contract for our Days of Wine and Dozers event in September, 2023 as well as an Owners Meeting at the winery to honor and thank our ECA Member Firm's Owners for their support. More to announce after this week!

Nominating Committee- See you February 4th at the Installation and Awards Dinner!! I have been busy contacting Don Mills and Sound Ideas for the video interviews with our Award Winners. This is moving along nicely to honor Robert Lee (Hermsmeyer Hall of Fame), Ed Winters (Posthumous Hermsmeyer Hall of Fame), Ghilotti Construction Company (Contractor of the Year), and Valdivia Trucking (Affiliate of the Year) as our honorees February 4. For more information on the event itself, making your reservation and sponsorship opportunities. Click [here](#) to sponsor and [here](#) to register!

NEWS THAT YOU CAN USE:

1. Contractors beset by soaring diesel prices

Contractors are facing a diesel price squeeze with a more than 400% jump since last year, according to a report by construction consultant Linesight. A separate report by Levelset cites the war in Ukraine, refinery shutdowns during the pandemic and Hurricane Ida as factors narrowing the national diesel supply margin to 25 days amid rising project costs, claims and defaults. **Full Story: Construction Dive**

2. All Electric Construction in San Rafael and in Marin: [San Rafael to require new construction to be all-electric \(northbaybusinessjournal.com\)](#), [Marin County mandates all-electric new construction \(northbaybusinessjournal.com\)](#)

3. PG&E Says There Is Limited Electrical Capacity to Provide Power for Airport Charging Stations: [Sonoma County airport electric-car-rental plan faces power-supply bottleneck \(northbaybusinessjournal.com\)](#)



The Northern California Engineering
Contractors Association
cordially invites you to attend our
44th Annual Installation & Awards Dinner

DoubleTree by Hilton Sonoma Wine Country
One Doubtreet Dr., Rohnert Park
Saturday, February 4, 2023

Sustaining Member Sponsors



Premier Sponsor &
President's Reception



President's Champagne Reception 6:00 pm
Dinner & Awards 7:00 pm
Coffee, Dessert, Port & Cigars 9:00 pm

Welcome incoming President:
Antonio Mencarini, Ghilotti Construction &
The 2023 ECA Board of Directors

We will be also honoring
Volunteer of the Year
Jeannine Clary, Argonaut Constructors
Contractor of the Year
Dick Ghilotti, Ghilotti Construction
Affiliate of the Year
Raul Valdivia, Valdivia Trucking
The Hermsmeyer Hall of Fame Award
will be awarded to Robert Lee, Team Ghilotti
Posthumous – Ed Winters, Argonaut Constructors

To sponsor click [HERE](#). To register click [HERE](#)

Thank you to:

[Ghilotti Construction](#)—Premier Sponsor & President's Reception
[Team Ghilotti](#)—Hermsmeyer Hall of Fame Sponsor

Emergency Response Manual for 2023—2024

Now is the time to assure your ad is included!

Reserve your space, Art due December 15, 2022

Every two years ECA gathers information we believe will be valuable to city officials, our associates, business partners, and the general public.

In the event of an emergency, we would like you to have information available that will help those that need it in the fastest way possible.

Should you be in need of assistance in the following areas, our members can help you! This manual will include in alphabetical order, who to contact for: • Counties Serviced • Services • Equipment • Materials

Obviously, we hope that an emergency situation will not be the reason you need to contact our members, but at least this will help you if the circumstance does arise.

No cost to be included in the manual

To be included in the Emergency Response Manual click [here](#)

To have an ad in the Emergency Response Manual click [here](#)

We want to highlight a member each week. What we need from you is a short paragraph on what is happening at your company. New employees, new logo, a new move, exciting new equipment! What ever you want to share about your company with our members.

Email mary@ncea.org with your spotlight information and send in photos if you have them!



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IMPORTANT INFO:

Get Prepared Now! Here are some very useful tips from CalFire to get your own house/property "in shape" for fire season. [link](#)

Pocket Guide for CALOSHA For Contractors: Click [here](#) for the pocket guide you all need!

Roadwork in Sonoma County - Check out the County website for road info [here](#)

WORKER'S COMPENSATION

Worker's Compensation Endorsement By ECA-

HELLO!!! HAVE YOU ASKED YOUR HUMAN RESOURCES PERSON TO CHECK OUT THE WORKERS COMP PROGRAM ECA HAS ENDORSED? Everybody likes to save money, don't they? Doesn't cost you a thing to consider this as an option! Jeff Okrepkie at 707-360-4338.

[Flyer](#)



George Petersen Insurance Agency

FIRE CLEAN UP LIST:

The Sonoma County Environmental Health Department, Transportation and Public Works, and James Gore's office are utilizing the ECA as a resource for debris testing, and debris cleanup for fire victims from the Kincade Fire. Please review the list that has been provided to the fire victims and the County, of ECA Firms that are interested and listed in various categories as being helpful in the fire aftermath. This is another benefit for ECA members and if you want to be included on the list, and are not, please contact mary@nceda.org. There is no charge for this. You can access the list by clicking here: [ECA FIRE RESOURCE LIST 2022](#)

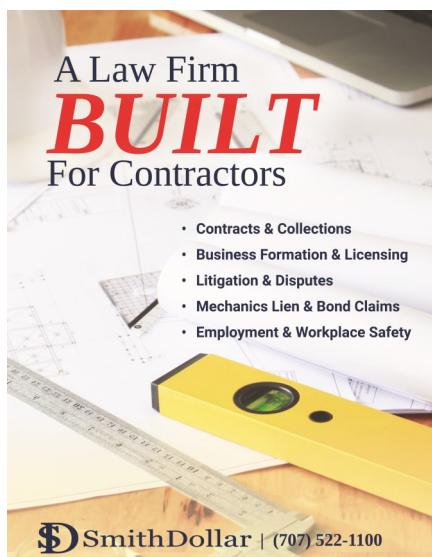
EMERGENCY RESPONSE MANUAL

Emergency Response Manual is now available online!

In the event of an emergency, we have put together this manual to help our community receive quick service from our members.

Thank you to our sponsors for helping to get this manual completed. It is sent to city and county agencies in case of an emergency so they will know who to call for services, equipment and materials.

Click [here](#) for the manual.



From the Desk of Jim Persons

HAND SIGNALS FOR CRANE OPERATIONS

The following are the most commonly used hand signals for directing crane lifting operations. Some special operations may require adaptations of these basic signals.

When using hand signal be sure the operator can see you and that both of you understand all the signals. You and the operator are in charge of an important operation.

Co-workers' lives depend on your skills. A wrong signal could cause a serious injury or possible death.

THINK SAFETY!



Click [HERE](#) to continue

Expert COVID-19 Safety info Available at a Discount

The Shelter in Place Orders issued by County Health Officers in Sonoma, Napa, and Mendocino - as well as the Governor, have highlighted for the building industry the need for all contractors to have an up-to-date written COVID-19 Exposure Control Plan.

This should be an addendum to your IIPP and safety meetings for COVID-19

Jim Persons, SafetyPride, an ECA member who serves as a consultant and safety instructor for ECA, is offering his services to our members and they will receive a 40% discount on his regular rates if you are a current member of ECA.

Contact Jim if you are interested in getting his help on COVID-19 related issues or other health and safety programs. email: jimpersons@safetypride.com or phone: 707-889-0881

Small Machine? Get Big Productivity!

A photograph of a yellow compact machine, likely a mini-excavator or similar compact equipment, operating on a dirt road in a wooded area. The machine is equipped with a backhoe attachment. To the left of the machine, there is text advertising Trimble Earthworks Grade Control for compact machines.

Trimble Earthworks
Grade Control for
Compact Machines:
a first-pass finish that's
second to none!

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NEWS YOU CAN USE CONTINUED

4. High-speed rail line from LA to Las Vegas could begin construction in 2023

California could see its second high-speed rail project begin construction next year, according to [news reports](#). Brightline West looks to build an \$8 billion passenger rail corridor connecting Southern California and Las Vegas, mainly within the median of the Interstate 15 freeway. It would operate 180-mph electric trains. Unlike the publicly funded [high-speed rail project](#) from San Francisco to Los Angeles, Brightline West would be privately owned and operated. Brightline West and Brightline are owned by Fortress Investment Group, a global investment firm focusing on transportation, infrastructure and other investments.

5. How Did VMT's Become Part of the Review of Projects?

I was asked by Craig Harrison of SOS Roads, how it came to be in California that our projects are now reviewed, approved, or rejected by virtue of whether the project increases vehicle miles travelled or not. My answer, the short version, is that both California and the Federal Government, recognized air pollution as a problem that needed legislation back in the 1940's. Several landmark laws were passed in the 1960's both in California and in Washington D.C. which led to creation of the Environmental Protection Agency (EPA), as well as the California Air Resources Board CARB) and the California Environmental Quality Act (CEQA) which was founded in 1970. The Clean Air Act, which is very complex and has had major amendments over the years, was designed to address air pollution and acid rain. In 2013, in California, SB743 was passed and signed into law, which required CEQA to review projects based upon vehicle miles travelled. Caltrans adopted the new project review statutes in 2020 and our projects for highway widening, bridge reconstruction, and other infrastructure projects are now considering whether they increase vehicle miles travelled or not. Obviously, this is in consideration of climate change issues, and California, whether we like it or not, has led the nation in clean air statutes and now climate change legislation. If you want to see my summary that I sent to Craig, click on this [link](#)

6. Required Postings Needed by January 1, 2023: click [here](#)

7. Attention: Members of Northern California Engineering Contractors Association

The San Francisco Construction and Demolition Debris Recovery Ordinance requires any person or company that transports mixed construction and demolition debris (mixed C&D debris) to obtain a permit for each vehicle or each debris box used to transport mixed C&D debris that originates in San Francisco.

The San Francisco Environment Department (SFE) prepared a letter and fact sheet to provide more information about this mixed C&D debris transporter permit requirement. Please share these materials with your colleagues and/or members to help them understand the permit requirements and how they may apply to their business activities in San Francisco. [letter fact sheet](#)

If you have any questions about this request or about the transporter permit requirement, please email debrisrecovery@sfgov.org, call 415-355-3799, or visit SFEnvironment.org/construction-demolition-requirements.

Northern California Engineering Contractors Association

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