



**NEVADA
COUNTY**
CALIFORNIA

BOARD OF SUPERVISORS

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NEVADA COUNTY BOARD OF SUPERVISORS
BOARD AGENDA MEMO

MEETING DATE: April 27, 2023

TO: Board of Supervisors

FROM: Sue Hoek, District 4

SUBJECT: Approve and authorize the Chair to sign and submit the attached Letter of Opposition to Assembly Bill (AB) 338 (Aguiar-Curry)

RECOMMENDATION: Approve and authorize the Chair to sign and submit the attached Letter of Opposition to Assembly Bill (AB) 338 (Aguiar-Curry)

FUNDING: N/A

BACKGROUND: On January 30, 2023 Assembly Member Cecilia Aguiar-Curry introduced Assembly Bill (AB) 338 to expand the definition of “public works” for the purpose of the payment of prevailing wages, to also include fuel reduction work done under contract and paid for or in part by public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural fuel breaks, fire breaks, and vegetation management.

In 2022, Assembly Member Aguiar-Curry introduced AB 1717 which included identical language to AB 338. Importantly, on June 14, 2022 District III Supervisor Dan Miller sponsored Agenda Item SR 22-0726 requesting the Board of Supervisors’ approval and authorities for the Chair to sign and submit a letter of opposition to AB 1717. On June 14, the Board voted 3-2 approving and authorizing the Chair to sign and submit a Letter of Opposition to AB 1717 (attached). Ultimately, AB 1717 passed the legislature but was vetoed by the Governor with a veto message outlining concerns that incorporating wildfire mitigation work into public works and requiring prevailing wage could negatively impact work being done on wildfire prevention but directed staff to work with the author to develop recommendations on how to increase living wages that do not negatively impact work on the ground.

As outlined in a summary within the Assembly Committee on Appropriations analysis (attached), the author of the bill outlines that “wildfire mitigation work” is not only a mechanism to protect houses from wildfires, but ‘also a critical component of protecting various public works, including transportation infrastructure, public schools and public

buildings.’ Thus, the author contends wildfire mitigation is “a ‘maintenance activity’ that is desperately needed to ensure the safety and functionality of existing public works” and contracted-out wildfire mitigation work should be considered public works.”

The state outlines that there would be increased costs for the Department of Industrial Relations (DIR) and for CAL FIRE for increased oversight of new public works projects and ensuring grants comply with public works law (Greenhouse Gas Reduction Fund (GGRF)). And while several of the County’s one-time funding grants for hazardous vegetation management work already require prevailing wages, AB 338 would lock in prevailing wage requirements indefinitely for all vegetation management activities via contract. In 2022 Nevada County Community Development Agency estimated that the bill would increase costs roughly 30% costs on hazardous vegetation management work that do not require prevailing wages, which subsequently would decrease acres management by 30%.

Proponents of the bill outline prevailing wage requirements will assist in developing a floorboard to help develop a sustainable and long-term industry workforce and address workforce shortages seen throughout the industry. However, I believe that other innovative strategies should be employed to further foster a sustainable industry that are driven by market forces instead of legal requirements that will directly tie the hands of Nevada County’s ability to effectively decrease hazardous vegetation throughout the county and Wildland Urban Interface (WUI) areas. I also believe that the passage of AB 338 could have unintended consequences of adding barriers to entry for willing local workforce as prevailing wage requirements can create significant burden on county contractors. Ironically, AB 338 could have the opposite impact and eliminate local jobs rather than creating them by placing small, local contractors at a competitive disadvantage for fuels reduction work in Nevada County.

The Rural County Representatives of California (RCRC) has formerly opposed the bill, as they did with AB 1717. As noted in their letter of opposition to Assembly Appropriations Committee, should AB 338 become law, it must be accompanied by an increase of funding for forest resilience and fuels treatment grants to cover increase costs. Senate Bills (SB) 247 (Dodd) estimated that when PG&E was required to pay prevailing wage for vegetation management operations, costs were estimated to increase approximately 49%. And while utility-owned utilities can pass on increases in costs to rate-payers, the county would be forced to decrease its work or consider other funding mechanisms. The California State of Associations of Counties (CSAC) has yet to take a formal position but is tracking the bill with a “Watch” position.

Therefore, I urge the Board to approve the attached Letter of Opposition and authorize the Chair to to submit the letter to the appropriate assigned committee.

Sincerely,

Susan Hoek,
District IV Supervisor