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AGC



VISION • VOICE • VALUE

AGC elects 2020 officers, board

Curt Gimmestad President

Curt Gimmestad, operations director at Absher Construction Co., started with the company as a project engineer in 1993. Gimmestad has served the AGC in many capacities, including first vice president in 2019, an association trustee, and an instructor and executive board member for the Education Foundation. He also is a member of the Association for Learning Environments and the Capital Advisory Review Board's Project Review Committee.



Gimmestad

Dawn Stephens First Vice President

Dawn Stephens is the CFO of Charter Construction, where she oversees financial processes and operations. Her career as a finance professional spans more than 25 years at several construction and real estate firms. In 2006, Stephens joined Harbor Properties as corporate controller and later became CFO. She is active in Commercial Real Estate Women, is past president of the Puget Sound Chapter of the Construction Financial Managers Association, and serves on several committees benefiting the Fred Hutchinson Cancer Research Center.



Stephens

Glyn Slattery Second Vice President

Glyn Slattery is the western region vice president and project executive for Lydig Construction. He holds a bachelor's degree from the University of Washington in building construction/construction management and a master's from the University of Colorado in civil engineering/construction management. Slattery has been an active leader in the AGC throughout his career, is a past board member and won the AGC of Washington's Contractor of the Year award. In 2014, he collaborated with the city of Seattle to improve communications, teamwork and efficiency. His input and participation resulted in a more engaging and harmonious project environment.



Slattery

Grace Pizzey Secretary/Treasurer

Grace Pizzey is the vice president at Holiday-Parks in Seattle and has served as AGCW's secretary/treasurer for the past year. With a bachelor's degree in economics from Colorado College, she brings 25 years of experience in financial and business management including executive leadership, board membership, financial reporting, legal representation, personnel development, budgeting, risk management/mitigation and human resources.



Pizzey

Paul Mayo Past President

Paul Mayo, Flatiron West's Northwest area manager, served as the AGC of Washington's 2019 president. He was the recipient of AGC of Washington's Contractor of the Year award, and was a key contributor to the AGC-led effort to pass a state transportation package during the 2016 session. He also served as co-chairman of WSDOT's Design-Build Committee, and is active in AGC's Next-Generation Task Force.



Mayo

Board members

John Huntley, Mills Electric Co.
John Salinas, Salinas Construction
JB Gibson, Clise Properties
Sean Hilt, Turner Construction Co.
Bryan Kelley, Howard S. Wright, a Balfour Beatty company
Patrick McQueen, Lease Crutcher Lewis
Matt Osborne, Osborne Construction Co.
Lindsay Watkins, Ahlers Cressman & Sleight
Brad Neudorfer, Howard S. Wright, a Balfour Beatty company

District representatives

Jeff Tiegs, Lincoln Construction (Southern District)
Chris Lang, Fisher Construction Group (Northern District)
Ross Pouley, RAP Consulting (Seattle District)
Tanya Davis, Western Ranch Buildings (Central District)

AGC honors Thompson, Salinas, Martin, Wilcox

By SEAN LEWIS
AGC of Washington

During its 2020 annual convention on Jan. 24 in Bellevue, the AGC of Washington honored three outstanding members of the construction community — Andy Thompson, John Salinas and Connie Sue Martin — for their commitment and dedication to the industry and the local com-



Wilcox

munity. The association also honored Rep. J.T. Wilcox as AGCW's 2019 Legislator of the Year and Kiewit Infrastructure West Co. as Leader of the PAC.

CONTRACTOR OF THE YEAR Andy Thompson Granite Construction

Thompson was recognized for his unwavering support on behalf of AGC members in 2019. He is a high-energy individual who represented AGC members on many fronts and, in all mat-



Thompson

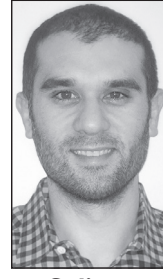
ters, steps in and takes a leadership role. Thompson is a member of the Construction Project Advisory Review Board and is participating in the tedious process for the reauthorization of CPARB this year. He is involved with the WSDOT Design/Build Committee as well as the AGC Government Affairs Committee, where he consistently brings balanced opinions. He has testified multiple times to the state Legislature on construction industry matters.

Granite believes in mentoring smaller construction firms and, accordingly, allows Thompson the time to be a first-class mentor in the WSDOT mentor-protégé program to multiple firms. Thompson is also one of the founding members of AGCW's Diversity and Inclusion Committee, where he still participates.

Granite Construction is a heavy-civil/highway and paving contractor and has been a member of AGC of Washington since 1936.

SPECIALTY CONTRACTOR OF THE YEAR John Salinas Salinas Construction

Salinas has devoted time (that he quite frankly doesn't have) to participating in the city of Seattle Priority Hire Advisory Committee and taking a lead role communicating the impacts of community workforce agreements or project labor agreements on contractors and WMBE firms. He has been a thoughtful committee member, representing AGC's



Salinas

values of free and open competition exceptionally well. He also has spoken on AGC's behalf to Seattle Public Schools about the impact of community workforce agreements on his business. With the ever-expanding use of CWAs in the Puget Sound region, Salinas' message is an important one for area WMBE firms.

Salinas is the third-generation leader of Salinas Construction, specializing in commercial and residential concrete construction, including airfield construction, in the Pacific Northwest and the Pacific rim.

ASSOCIATE OF THE YEAR Connie Sue Martin Schwabe Williamson & Wyatt

Martin is the chair of the AGC Environmental Committee and is being recognized for her outstanding leadership in the negotiation, passage and the implementation of the state's

Expedited Voluntary Cleanup Bill. Her efforts in this matter included, but were not limited to, testifying on AGC's behalf to the state Legislature and negotiating with the state Department of Ecology. This important legislation speeds up the cleanup of certain contaminated properties in order to get them into productive economic use. She also is playing a leadership role in the controversial fish passage culvert issue in the state.

Martin specializes natural resource, real estate and construction law.

Sean Lewis is the marketing director for AGC of Washington. He has been in the western Washington construction industry for more than 25 years.



Martin

Gimmestad: Construction is a 'pretty dang good profession'

By BENJAMIN MINNICK
Journal Construction Editor

Sometimes it's who you know that sets your career path. For Curt Gimmestad, it turned out to be who he married.

Gimmestad wed the youngest sister of Dan Absher, whose family has owned Absher Construction in Puyallup since 1940.

"It's funny how some doors open," Gimmestad said about the day 26 years ago when Dan Absher asked him to join Absher Construction. At the time, Gimmestad was working in sales management for Rudd Co., a maker of surface coatings. He joined Absher as a project engineer, then became a project manager, a division director and now is an operations director.



Gimmestad

"I feel very lucky to be in this industry," he said. "It means a lot to me."

Gimmestad can add president of the Associated General Contractors of Washington to his list of career accomplishments.

His top goal as 2020 president is to continue promoting construction as a career opportunity.

"It's not just a job, it's a pretty dang good profession," he said, pointing out that many in the industry have six-figure incomes.

Gimmestad is also big on education, serving as an instructor and executive committee board member on the AGC Education Foundation. He also is working with the AGC to expand the Core Plus program into the construction industry. Core Plus is a two-year written curriculum for high school industrial arts teachers.

Then he's getting behind a local AGC program that's about to go national: the Culture of Care ini-

See GIMMESTAD — page

Congratulations!
Curt Gimmestad
AGC of Washington President



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Are you insured against cyberattacks? Here's what contractors need to know

■ *Almost a third of all cyber events are directly related to human error.*

By JOURNAL STAFF

Mark Smith, senior vice president at CRC Insurance Group, was one of the featured speakers at Friday's annual meeting of the Associated General Contractors of Washington in Bellevue.

Smith leads CRC's nationwide Cyber Liability Team, and is a wholesale insurance broker specializing in the placement of cyber, professional and management liability insurance. His topic on Friday addressed how to prevent, respond and insure against cyber risk.

The DJC spoke with Smith about cybersecurity in the construction industry. His answers were edited for style and length.

Q: How long has cyber risk insurance been around?

A: Cyber insurance had its roots arise in the late 1990s from a concern hackers could penetrate a company's network security and steal their private information. However, it didn't begin to find acceptance until individual states began to pass their own privacy laws dealing with the theft or unauthorized disclosure of personal identifiable information (PII), beginning with California in 2003. The purchase of this coverage has been relatively slow until the last five years, when there became a dramatic uptick in the number of companies purchasing this insurance.

Q: How vulnerable are contractors to cyberattacks?

A: Overall, the risk to most contractors from the theft or unauthorized disclosure of PII is small, but significant first party exposures arising from ransomware attacks, including business

interruption and data destruction, in addition to sophisticated social engineering attacks, leave many contractors vulnerable to sizable financial loss.

Q: How can cyber risk insurance help the construction industry?

A: Construction companies do not typically hold much PII due to the nature of their business. However, they do have to protect the PII of their own employees, but in general, this has not been a significant concern for most contractors. It is primarily because of customer contracts that many contractors have purchased cyber insurance. This has arisen because contractors may hold corporate confidential information under a non-disclosure agreement with a customer requiring them to carry the coverage. Such information may include plans, designs, financial statements, research, bids, reports or any other information that the client deems sensitive if it was lost or disclosed to unauthorized parties.

In addition, some customers are concerned the contractor's employees working on their premises may gain access to confidential information and steal it for their own purposes.

Contractors face the same exposures many business enterprises are commonly encountering. Roughly 30% of all cyber-related claims now arise out of ransomware attacks, which can lead to a temporary shutdown of a contractor's computer network, resulting in a business income loss while access to the corporate computer network is lost or electronic files have been encrypted.

Furthermore, if files have been encrypted, the contractor may be able to restore from backup tapes but claim experience has shown such backups may sometimes be incomplete, infrequently backed up, if at all, or in the worst case, also infected by ransomware.

Unfortunately, some studies have shown if the ransom is paid, a significant percentage of the payments have been for naught as the encryption keys provided failed to unlock the encrypted files. Since early summer of 2019, ransom demand amounts have skyrocketed, now commonly made in the six- and seven-figure range.

Cyber liability insurance will pay the ransom amount, business interruption loss, forensics work to determine the source of the ransomware and the files affected, restore the computer system or encrypted files from backup tapes; and some policies will even pay to recreate from scratch lost or destroyed electronic files if they cannot be restored from any source.

Cyber insurance coverage as part of a comprehensive risk management tool lessens this risk, as well as fulfills the requested contractual requirement to carry this coverage by clients who are concerned the information they provide to the contractor may be at risk, exposing them to financial loss as well.

Q: What about those fake billing schemes recently in the news?

A: Another significant benefit for contractors is cyber coverage can protect them from social engineering schemes. Organizations of all types have fallen victim to fraudsters posing as clients, vendors, principals or executives directing accounting personnel to unknowingly wire funds to the fraudster's bank upon changing wiring address instructions.

Most organizations can protect themselves by always requiring callbacks to a predetermined number of the actual client to verify the change in the bank routing instructions, but failures to follow sound procedures do occur and such transfers happen with routine frequency to the peril of the organization. Most cyber carriers offer some form of cyber-crime coverage that extends

to such social engineering schemes.

Q: What should you do after a data breach?

A: The answer depends if the contractor has a cyber policy in place or not.

If coverage is in force, the contractor immediately upon discovery of an incident should contact their insurance company to reach a breach coach.

The breach coach, normally a lawyer, will discuss with the contractor the immediate steps to be taken on their behalf. The coach will engage directly, from a list provided by the insurer, an IT security and forensic firm to investigate the cause and the scope of the breach or ransomware attack, including the records potentially compromised or encrypted. This information will be relayed to a law firm chosen by the insurer.

If the event is a suspected data breach, the firm will review the information to determine if the incident meets the threshold of a breach depending on individual state and/or federal law. Upon such a positive finding, an attorney will draft up notification letters to be forwarded to a fulfillment center to mail out to the affected individuals within the guidelines of the applicable laws.

Prior to any mailing, a call center will be established to answer

any questions by those affected upon receiving their notice. Concurrently, a crisis management/public relations firm will be engaged prior to the release of the notifications to help protect the contractor's reputation by formulating a public response to the breach once the notices are sent.

If the contractor does not have a cyber policy, a law firm specializing in cyber events should be engaged immediately upon discovery of the incident. Ideally, the law firm and data breach response vendors should have been engaged prior to any data incident by the contractor, providing an efficient, speedy response to the incident, as well as saving money by pre-negotiating rates for their services. The law firm should always engage the IT security and forensic team to keep any information discovered by the team within the client-attorney privilege.

Q: What can you do to prevent a cyberattack?

A: Cyberattacks are constantly evolving in their manner of attack and every organization should dedicate resources, internally or even externally, to understand the data at risk and how best to protect it. Many organizations focus solely on IT security and overlook that almost a third of all cyber events are directly related to human error.

Companies should begin their risk management efforts with educating employees on the ramifications of a cyber event and how it may seriously damage the company's reputation, relations with customers and regulators, and financial impact on the company's balance sheet. This should include ongoing training on what data is at risk and how to safeguard it given the schemes and methods directed against them by bad actors who want access.

From an IT security standpoint, there are a number of practical measures firms should consider implementing. A few of these include:

- Maintain and update firewalls.
- Back up all data on a daily basis on a physically separate system.
- Encrypt mobile devices including thumb drives.
- Implement multi-factor authentication.
- Consider end-to-end encryption of all communications.
- Rigorously enforce a robust password policy.
- Utilize secure email gateway software.
- Establish regular anti-phishing training for all employees including executives.
- Know what data is confidential, where it resides and avoid concentration on one device or server.

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Gimmestad

Continued from page 3

tiative. This program was started nearly two years ago by AGC of Washington Executive Vice President David D'Hondt and his team to promote workplace diversity. It's being adopted by the AGC of America.

Another priority for Gimmestad this year is to make sure the construction industry is being treated fairly. He said there is a bill in the Legislature that would require contractors to list every subcontractor on public projects, as a way to stop bid shopping. The challenge, he said, is there are hundreds of bids from subcontractors on big projects, some coming minutes before a bid opening. The proposed law would leave little time to vet nuances in bids, he said.

Gimmestad also wants to make sure members are getting value from the association at all levels: local, regional and national. As an example, the AGC is pushing for transportation funding on the national level.

Gimmestad said the construction industry is facing some challenges other than the elephant-in-the-room worker shortage. One is modular construction and its effectiveness and impact on labor. Another is robotics on the jobsite.

Local construction activity will continue to be strong this year

but may retract somewhat in 2021, according to Gimmestad. Slowing in the private sector could be offset by gains in public work, as there are a lot of school bonds out now, he added.

Gimmestad said the long-term outlook for local construction is optimistic, as more people are expected to move into the area over the next 20 to 30 years.

Over the years at Absher Construction, Gimmestad has helped build many projects. He said his favorite projects are those that benefit the community, such as schools and recreation centers.

"When you walk into a brand new or renovated school you see a difference, it's pretty special," he said.

One of those community projects that stood out was a skilled nursing facility in Walla Walla for the U.S. Department of Veterans Affairs. Gimmestad said veterans were shedding tears during the opening ceremony.

Gimmestad spends his spare time outdoors, where he likes to fly fish, hunt and golf. He said he could have been a cowboy. "I could easily work on a farm," he said.

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