



# News leaks

## Big Cheese



The 45<sup>th</sup> Annual Big Cheese is one for the books. One hundred eighty five construction industry professionals joined us for lunch, maybe some eggnog, an extra meatball or two, and to catch up with counterparts they don't see nearly often enough.

A big thank you to our volunteers, without whom, there wouldn't be quite so much jolly in the day – Dick and Freida Cleverly, Vi Barrett and Dan Arriola, Reggie Santiago with Heieck Supply and Mark Freed with H.C. Fletcher.

Put Friday, December 5<sup>th</sup> in your 2014 calendar today. See you there!

## CA Energy Code



California Energy Code (Title 24, Part 6) has been delayed by six months. The new implementation date is July 1, 2014.

## Open House at the Plumbers' Training Center

On September 25<sup>th</sup> APMC, Northern California MCA and UA Local 447 hosted an open house at the Training Center. The event attracted seventy five attendees, 18 of which were elected officials from throughout the greater Sacramento area.



## Fixture Replacement Required Starting January 1

California will soon start requiring homeowners looking to remodel to replace old fixtures, reports [sacbee.com](http://sacbee.com).

Beginning next year, anyone pulling a building permit on a home more than 20 years old will be required to replace old fixtures with water-saving toilets, showerheads and faucets. The requirement comes from Senate Bill 407, passed in 2009. The bill requires the installation of low-flow fixtures in homes, apartments and commercial buildings built before 1994: home improvements starting in 2014; all homes in 2017; and commercial and apartment buildings in 2019.

The push for efficient plumbing will help the state meet a goal to reduce water use by 20% by 2020, a goal set by then Governor Arnold Schwarzenegger. "This is part of a larger effort to double-down on water conservation," said Dave Bolland of the Association of California Water Agencies.

An estimated 80 percent, or 11 million homes in California were built before 1994. "Many people in Southern California have already done this type of retrofit. This is completing the loop," Metropolitan Water District spokesman Bob Muir said of the law. "Conservation is going to be a prime source of water."

But some building officials and contractors are concerned about the new requirements. Contractors say old plumbing and sewer lines may make the repairs much more costly. Some building officials feel the rules could discourage people from pulling building permits. Among them is Ryan DeVore, Sacramento's chief building official, who estimated that about one-half of the 15,000 or so building permits issued this year in Sacramento would trigger the 2009 law.

"This is exactly the kind of legislation that motivates people to not obtain a building permit and to do work that may endanger themselves or their property," said Jay Salazar, Vacaville's building official.

## CLC Report

The 2013 California state legislative session ended on September 13<sup>th</sup> and the Governor had until October 13<sup>th</sup> to sign or veto all legislation sent to him.

The union construction industry had a very productive year and was able to secure positive changes in many areas. This includes strengthening the public works subcontractor listing law (AB 44); ensuring subcontractors are paid when working on public private partnership projects (AB 164); discouraging charter cities from exempting themselves from state prevailing wage requirements (SB 7) and raising the minimum level of skills and safety training required of workers at petroleum refinery facilities (SB 54). In addition, much of our time was spent amending or defeating legislation that would have a negative impact on our industry. As in years past, our influence was significant as we either amended or defeated the majority of harmful measures proposed this session.

An overview of the pertinent legislation that was passed during the 2013 legislative session is available by clicking the following link: [Rest of the Document](#) All of the newly enacted laws will become operative January 1, 2014, unless otherwise noted.

If you have any questions or comments, or would like additional information, please contact Eddie Bernacchi. You can reach him by email at [bernacchi@politicogroup.com](mailto:bernacchi@politicogroup.com) or by calling (916) 443-3114.

A complete text of legislation can be found on CLC's website at [www.clcaccess.com](http://www.clcaccess.com). Just look under "Find a Bill" in the quick links and enter the bill number.

## Workers Compensation Dual Wage Verification Update

### *Change in Payroll Record Requirements Will Benefit Unionized Employers*

In addition to increasing the dual wage thresholds in ten different construction classifications, including plumbing and mechanical, the Insurance Commissioner recently approved amendments to the California Workers' Compensation Uniform Statistical Reporting Plan—1995 (USRP) to require that a collective bargaining agreement may be used to verify the hourly wage for purposes of assignment of a high wage classification. Both changes will take effect on Jan. 1, 2014.

Under previous changes adopted by the Workers' Compensation Insurance Rating Bureau (WCIRB) in 2008, contractors in dual wage classes were forced to produce time cards showing all start and stop times for the workers if they are reporting wages in the high wage classification. Employers that didn't meet this standard faced the prospect of having their entire high wage payroll moved to the low wage classification at increased rates.

Historically, our contractors record only the total hours worked rather than maintaining time cards that list actual start and stop times. The 2008 change created unneeded paperwork and cost. Under the new rule, union employers will be able to prove the hourly rate paid by producing their collective bargaining agreement.

The change didn't come easy and was debated at length by WCIRB's Classification and Rating committee. Some carrier members expressed concerns that this will increase the complexity of the payroll audits and/or dilute their effectiveness. The rule change allows auditors to either use time cards as usual to validate the hourly rate of pay or go to the collective bargaining agreements to determine the hourly wage.

The new rule reads as follows:

### **Payroll Record Requirements**

The assignment of a high wage classification to any non-salaried employee is contingent on verifying that the employee's hourly wage equals or exceeds the specified wage threshold. The determination of the regular hourly wage must be supported by one of the following sources:

- Original time cards or time book entries for each employee. Original records must include the operations performed, the total hours worked each day and the times the employee started and ended each work period throughout the workday. At job locations where all of the employer's operations cease for a uniform unpaid meal period, recording the start and stop times of the uniform break period is not required.
- A valid collective bargaining agreement that shows the regular hourly wage rate by job classification of a worker. If using a collective bargaining agreement, the records must include an employee roster by job classification that permits the reconciliation of individual employees to the job classifications set forth in the collective bargaining agreement.

The WCIRB and Insurance Commissioner Jones also approved updated thresholds for ten construction dual wage classifications as follows:

- 5183(1) / 5187(1) Plumbing – Increased from \$24.00 to \$26.00**
- 5183(2) / 5187(2) Refrigeration Equipment – Increased from \$24.00 to \$26.00**
- 5190 / 5140 Electrical Wiring – Increased from \$28.00 to \$30.00**
- 5484 / 5485 Plastering / Stucco Work – Increased from \$25.00 to \$27.00**
- 5538 / 5542 Sheet Metal Work – Increased from \$25.00 to \$27.00**
- 6218(1) / 6220(1) Excavation – Increased from \$26.00 to \$30.00**
- 6218(2) / 6220(2) Grading Land – Increased from \$26.00 to \$30.00**
- 6307 / 6308 Sewer Construction – Increased from \$26.00 to \$30.00**
- 6315(1) / 6316(1) Water Mains Construction – Increased from \$26.00 to \$30.00**
- 6315(2) / 6316(2) Gas Mains Construction – Increased from \$26.00 to \$30.00**

## **Code of Safe Practice**

How's your Code of Safe Practices? What, another written safety program?!?! NOOOO!!!!

But wait, before you go running to hide your head (or hit it against the door!), let me explain; this one is easy – I promise! It's really just a list of your safety rules. You do have safety rules, don't you?!?! Hmmm, you may be saying, scratching your head (better than beating it against the door!), do I? Sure you do! You know, all those things you are always nagging (you don't nag, I know, me either!) your guys about; all those dos's and don'ts!



Just like with the IIPP don't let the terminology and all of the model programs you've seen, or heaven forbid paid a bloody fortune for, scare you; it's just that simple. I know a lot of those programs and people want to trick you into thinking this is something complicated, complex, and massive – but it really doesn't have to be. I suppose if you are a large company with complex processes and activities it could be a bit more detailed but for the most part my rule of thumb is to keep your Code of Safe Practices (just like your IIPP) as simple or as complex as your business is.

Like the IIPP this is required by Cal-OSHA for ALL contractors and it must be made available to the Division. What that really means is that it should be on-site (all your written safety programs probably should be, but that's another discussion we'll have later!).

Lack of a Code of Safe Practices or not making it available to the Division (ie not on site) is in the top three most frequently issued citations in Northern California each year, and will cost you an average of about \$1000! For \$1000 it might be worth an hour or two of your time to get yours in order. If you've got twenty pages in a binder and all you do is build houses, you might be missing the forest for the trees. Likewise, if you are building bridges and all you have is 5 or 6 bullet points, you might need a few more trees in your forest!

Remember the IIPP, again, and the sections "Communication" and "Compliance"? The Code of Safe Practices fits in there. You need to be "communicating" something about safety to your employees -- that's your Code of Safe Practices. As for "compliance," call it discipline if you will, if you want to (ie need to) discipline or worse yet fire an employee for breaking a safety rule you will need to show where and what the rule is!

So, here's my suggestion to you whether you've got some safety rules now or not; sit down and brainstorm all of the things you review with your new hires, are continually doing safety meetings on, and are regularly "reminding" (not nagging, no not you!) your employees about and write them down. If you've got foremen or superintendents ask them to do the same.

Walk around a couple of your jobsites and think to yourself; what are your routine hazards or exposures, what are common mistakes or problems, what should you have some rules about maybe you've been missing? Write all of those answers down and you've got yourself a pretty good basis for your Code of Safe Practices!

Better yet, it didn't take much time (certainly not \$1000 worth of your time!), it's yours, and you didn't pay a small ransom to pay someone to print twenty pages of things that don't even apply to your business – these rules, my friend, are all yours!

*Article provided courtesy of Rhyanne Truax, owner, PEAK Safety Services LLC*  
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