

Wisconsin Chapter NECA
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Advanced Project Management Seminar

The Wisconsin Chapter will be sponsoring MEI's Advanced Project Management Seminar May 20, 2009 at the Crowne Plaza in Madison. Registration information was sent to all member firms.

The project management workshop series was designed to help project managers recognize, predict and prevent risk on the jobsite, thereby increasing productivity.

Participants will learn to:

- Recognize different types of risk that they routinely encounter, and will learn to manage those risks to better eliminate delays or productivity issues.
- Perform a self-assessment of their own project management style and learn how to use their techniques within their company structure.
- Become acquainted with industry practices relating to division of roles and interaction with field supervision, project managers and corporate executives.

The seminar runs from 8:00 a.m. to 5:00 p.m. and will be taught by Dr. Perry Daneshgari.

Solar Billboard

Eland Electric, Green Bay, has been rapidly developing their photovoltaic division in recent years and is about to complete a unique new solar project – a billboard along busy Highway 41 near DePere. The billboard will have solar panels located on the top which will produce enough power to supply the billboard. All power generated however, will be purchased by WPS at 25 cents per kwh. The board display will state that it is an “energy producing billboard” and will recognize Eland Electric Corporation as the installer, as well as TruPro.org, a marketing group of NECA-IBEW contractors in the Green Bay and Fox Cities areas. It is a great way to highlight a new technology that NECA contractors are involved with.



NECA Working on 3% Repeal

State licensing of electricians, electrical contractors and mandatory electrical inspections just got a little closer to being reality in Wisconsin.

The Electrical Code Advisory Council has completed its work on the electrical licensing and inspection rules, and the state has scheduled a public hearing on the proposed rules, which will affect both Comm 5 and Comm 16 chapters.

The hearing will be held on April 29, 2009 at 10:00 a.m. The hearing will be at the Thompson Commerce Center, 201 W. Washington Avenue, Conference 3B in Madison.

Interested persons are invited to appear at the hearing and present comments. Loyal and Shari will attend the hearing on NECA's behalf. Please contact them if you have any specific concerns or comments you would like them to present.

Written comments may also be submitted if you are unable to attend. Written comments should be submitted to James Quast, Department of Commerce, PO Box 2689, Madison, WI 53701 - 2689.

We'll keep you posted on further activity.

NECA has been working hard on the repeal of the 3% Withholding tax, and they recently got a chance to state their case before the House Small Business Committee. The tax, scheduled to go into effect in 2011, would require a 3% withholding on payments from federal, state and local governments to contractors, in order to get advance tax payments from those contractors. Additionally, it is estimated that the implementation of the tax will be more costly than the additional revenue that will be generated over the first five years.

Other tax priorities discussed included modification of the estate tax and further extension of energy tax incentives (including those incorporated into the TARP and ARRA bills).

Student Chapter Competition

ELECTRI International and NECA have joined forces to create a student chapter competition to be showcased at the NECA Convention in Seattle. The "Green Energy Challenge" is open to all Student Chapters and has three primary goals:

- Create an annual event to engage NECA Student Chapters in education related to the electrical construction industry.
- Challenge Student Chapter teams to develop vital technical skills in the electrical construction industry.
- Provide a mechanism for NECA Student Chapters to create on-campus interest in electrical construction.

This year's challenge to teams is to have them identify a building in their community that is in need of energy efficiency improvements, then conduct an energy efficiency audit of the building and develop a design for energy retrofit for power and/or lighting systems. Teams will also design a new solar PV and/or wind energy system for their building.

The top three teams at the competition (selected in August) will be invited to present their presentations at NECA's convention in Seattle in September. Additionally, the top teams will win cash prizes for their respective NECA Student Chapter. It's an effort to get better involvement for the existing Student Chapters, and possibly encourage more chapters to develop their own Student Chapters.

I went to a bookstore and asked the saleswoman, "Where's the self-help section?" She said if she told me it would defeat the purpose.

From the Desk of Attorney Kay



COMMERCIAL GENERAL LIABILITY POLICIES DO NOT COVER THE INSURED'S DEFECTIVE WORK, OR MISREPRESENTATIONS

Contractors should have policies of commercial general liability insurance which cover a contractor's liability for damages to third parties. In Stuart v. Weisflog's Showroom Gallery, Inc., decided by the Wisconsin Supreme Court in July, 2008, the question arose whether a home improvement contractor's commercial general liability policy covered the contractor's liability for misrepresentations that the design would comply with building codes. The Wisconsin Supreme Court held that damages stemming from a contractor's misrepresentations were not covered under the contractor's CGL policy and the "your work" business risk exclusion in the CGL policy precluded coverage for damages caused by the contractor's misrepresentations and negligence.

The important aspect of the Supreme Court's decision in Stuart v. Weisflog's Showroom Gallery relates to the degree to which a contractor can rely upon a CGL policy to cover damages awarded to a dissatisfied owner of a construction project. Most contractors do not engage in misrepresentations regarding their work, either as to whether their work will be consistent with building codes or in other respects. Nonetheless, for those contractors who have misrepresented the quality of their work, the Supreme Court advises them in this case that they should not expect their CGL insurance carrier to respond to those misrepresentation damages.

The more pertinent part of the Court's decision as it applies to electrical contractors is the part that relates to the "your work" business risk exclusion that is contained in the CGL policy. In the Stuart v. Weisflog's Showroom Gallery case, the contractor had purchased a CGL policy from American Family, who argued that the following exclusion applied denying insurance coverage:

"1. Damage to Your Work

'Property damage' to 'your work' arising out of it or any part of it and included in the "products-completed operations hazard.'

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor."

The Wisconsin Supreme Court agreed that the exclusion was applicable but noted that American Family had failed to complete its argument explaining why it was applicable. The Court said it was necessary to look at the policy's definition of "products-completed operations hazard" which provided:

"'Products-completed operations hazard' includes all 'bodily injury' and 'property damage' occurring away from premises you own or rent and arising out of 'your product' or 'your work' except:

- (1) Products that are still in your physical possession; or

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May 2009

May 6

Madison Membership
Janesville-Beloit Membership

May 7

La Crosse Membership

May 11

Kenosha-Racine Membership

May 13

Northeast and Fox Valley
Joint Membership

May 14

Indianhead Membership

May 21

Wisconsin Valley Membership

Upcoming Meetings

May 20, 2009

Advanced Project Management
Madison

July 29-August 2, 2009

NECA Summer Meeting
Lake Lawn Resort, Delavan

September 12-15, 2009

NECA Convention
Seattle, WA

January 29-30, 2010

NECA Winter Meeting
Holiday Inn, Manitowoc

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MANPOWER STATISTICS

For the Month of -- January 2009

Local Union #	14	127	158	159	388	430	577	890	TOTAL
	=====	=====	=====	=====	=====	=====	=====	=====	=====
Local Contractors: NECA	7	3	4	17	5	5	2	6	49
Non-NECA	33	9	14	18	9	16	10	15	124
Total Local Contractors:	40	12	18	35	14	21	12	21	173
Traveling Contractors: NECA	8	6	4	0	4	5	6	9	42
Non-NECA	4	11	5	5	1	4	0	2	32
Total Traveling Contractors:	12	17	9	5	5	9	6	11	74
TOTAL # OF CONTRACTORS - LOCAL AND TRAVELERS:	52	29	27	40	19	30	18	32	247
Contractors More Than Two Months Delinquent in N.E.B.F.	1	2	1	2	3	0	0	0	9
Total Number of Contributing Contractors in Area:	53	31	28	42	22	30	18	32	256
Employees: NECA	247	52	111	524	204	42	151	168	1499
Non-NECA	176	92	150	60	42	59	73	67	719
TOTAL EMPLOYED:	423	144	261	584	246	101	224	235	2218

<u>Union #</u>	<u>NECA Division Name</u>
127	Kenosha Division
158	Northeastern Division
159	Madison Division
388	Wisconsin Valley Division
430	Racine Division
577	Fox Valley Division
890	Janesville-Beloit Division
14	Indianhead/La Crosse Divisions

NOTE: These figures only reflect employees of contractors not more than 2 months delinquent in their N.E.B.F. payments.



Do you have a code question for Tom? Let us know and we'll ask him to answer it in a future newsletter.

Tom's Code Corner

Question: We are going to be wiring a new supper club with adjacent wedding hall. The state-approved plan indicates it will be Type V construction. Is Type NM cable an acceptable wiring method for this building?

Answer: Yes. 518.4(B) Allows Type NM cable to be installed in an assembly hall where it is built using "Non Rated Construction." Comm 16.100-(1)(c) defines "Non-rated" as Types III, IV, and V construction. These types of construction is considered to be "nonfire-rated for the purpose of applying Comm 16 and the NEC.

MANPOWER STATISTICS

For the Month of -- **February 2009**

Local Union #	14	127	158	159	388	430	577	890	TOTAL
Local Contractors: NECA	7	3	4	17	5	5	2	6	49
Non-NECA	33	9	14	18	9	16	8	14	121
Total Local Contractors:	40	12	18	35	14	21	10	20	170
Traveling Contractors: NECA	8	6	5	2	4	5	6	7	43
Non-NECA	4	8	4	5	1	4	0	2	28
Total Traveling Contractors:	12	14	9	7	5	9	6	9	71
TOTAL # OF CONTRACTORS - LOCAL AND TRAVELERS:	52	26	27	42	19	30	16	29	241
Contractors More Than Two Months Delinquent in N.E.B.F.	1	2	1	0	3	0	0	1	8
Total Number of Contributing Contractors in Area:	53	28	28	42	22	30	16	30	249
Employees: NECA	228	50	123	616	200	44	149	155	1565
Non-NECA	172	90	159	63	39	58	55	71	707
TOTAL EMPLOYED:	400	140	282	679	239	102	204	226	2272

Union #	NECA Division Name
14	Indianhead/La Crosse Divisions
127	Kenosha Division
158	Northeastern Division
159	Madison Division
388	Wisconsin Valley Division
430	Racine Division
577	Fox Valley Division
890	Janesville-Beloit Division

NOTE: These figures only reflect employees of contractors not more than 2 months delinquent in their N.E.B.F. payments.

Solar thermal and solar photovoltaic (PV) installations have been around for decades, but improved technology and fluctuating energy costs make solar energy more appealing than ever. NECA's newest EDL issue focuses on solar energy, new technology and other advances.



Your Solar Energy Options discusses the improved photovoltaic technologies that are driving down the costs of equipment and making solar energy more affordable. In this EDL you'll also discover what should be taken into account when considering a solar PV or solar thermal installation and what resources can help you determine whether solar energy generation makes sense for your location and project.

NECA members can download a free copy of the publication at www.electricaldesignlibrary.com or call the Chapter Office (608) 221-4650 for assistance.

Electri International has a new publication that was authored by UW-Madison's Professor Awad Hanna.

The Electrical Pre-Construction Planning Process Implementation Manual, examines the relationship between pre-construction planning and project performance, to help contractors better understand how the planning methods can work to increase their productivity and bottom line.



The report was created from a study of 27 contractors in 11 states, and included data from 29 "successful" and 27 "less than successful" projects that were completed by those companies.

NECA members can obtain a free copy of the publication in PDF format from the NECA Store: www.necanet.org/necastore.

Plan Now for Advanced Estimating

You may want to mark this one on your calendar now. The Wisconsin Chapter will host NECA's two-day Advanced Estimating Seminar June 17-18, 2009. This seminar is intended for estimators who have already completed NECA's Basic Estimating Seminar, or who have considerable experience at estimating.

From the Desk of Attorney Kay

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(2) Work that has not yet been completed or abandoned."

The Court felt it was clear from the terms of this exclusion that the "your work" exclusion applied to property damage arising out of the contractor's work where that work occurred away from the premises owned or rented by the person doing the work, i.e., on the job site itself. In other words, the Court concluded that the "your work" exclusion operated to exclude coverage for damages arising out of negligent construction on the job site. Therefore, when an electrical contractor is negligent in the performance of its work and that negligence causes economic losses to the project owner, the electrical contractor cannot look to its CGL policy to cover the defense or insurance indemnity arising out of the owner's claim for damages. The reason is that the CGL policy contains an exclusion of its coverage where the damages arise out of the insured contractor's own work on the job site.

Interestingly, the CGL policy does cover damage caused to construction projects by subcontractors of the insured. In other words, the CGL policy does cover prime contractor damages resulting from its subcontractors' negligent work performance.

I have argued similar cases to the Wisconsin Supreme Court in the past and I understand that to the average contractor the intricacies of insurance coverage can be exasperating. You should remember that NECA does provide you with free access to my office for questions that arise not only out of construction but out of insurance policy issues involving construction. I will be happy to receive your questions regarding insurance policies as well as construction issues.



Five-Year Net Loss Deduction



The IRS recently issued guidance on the five-year net operating loss (NOL) carry back period. The guide is intended to assist small businesses with deductions exceeding income in 2008 to be used in receiving a refund of taxes paid in past years. The provision was included in the American Recovery and Reinvestment Act of 2009 (ARRA), and allows for businesses with less than \$15 million gross receipts over the past three years, with a net operating loss in 2008 to elect to offset the loss against income earned up to five years prior. Previously, businesses were only allowed to carry back two years.

For more information, go to the IRS website <http://www.irs.gov/newsroom/article/0,,id=205331,00.html>, where you can also view necessary forms and publications.