

Wisconsin Chapter NECA
2200 Kilgust Rd.
Madison WI 53713

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July 2009

2009 Summer Meeting

The 2009 Summer Meeting of the Wisconsin Chapter NECA is rapidly approaching. The annual event will be held July 30-August 1 at the Lake Lawn Resort in Delavan.

The weekend event will begin with a cocktail reception on Thursday, July 30 from 6:00 to 7:30 p.m. It's a great opportunity to network with NECA members from other areas of the state.

The general session speakers for Friday morning will be Mike Johnston, NECA's Executive Director for Standards and Safety, who will give a safety presentation and a demonstration of NECA's Safety Expert software. Next, Professor Awad Hanna will give us a preview of his newest seminar, "Managing Field Productivity". The Chapter will be hosting the full version of the seminar on November 9, 2009.



Friday afternoon, the annual golf outing will be held, complete with a "Hole-In-One" contest again this year. The grand prize for a hole-in-one on the specified hole is \$20,000. Since we have not yet awarded a prize for a hole-in-one, this certainly is the year!

As is the custom, our Saturday session will be led by Joe Hertel, Chief Electrical Inspector for the State of Wisconsin, who will give us a code update. Joe's session is worth 4 CEUs for all attendees.

Our weekend event will conclude with cocktails and dinner on Saturday evening, followed by our award presentations, ECPAC Raffle drawing and the entertainment of a comedian. All in all, it is sure to be an enjoyable weekend for all!

The registration deadline was June 22, 2009, but there are still a few rooms available at the resort, so it's not too late. Please get your registration form in to the Chapter Office or call Rachel or Tavia at the Chapter Office (608) 221-4650, and they will be happy to assist you.

Electrical contractors know that estimating errors can cost them dearly. "**How to Avoid Killer Jobs by Improving Estimating Accuracy**" examines historical information from accounting, estimating and job tracking to help contractors and their estimators improve their estimation accuracy. The seminar will be held September 2, 2009 at the Hilton Garden Inn, Wisconsin Dells. The course instructor is Dr. Perry Daneshgari, who has done several studies for NECA in the past. The cost for the one day seminar is \$325. Call Rachel or Tavia at the Chapter Office for more information.

The federal government apparently needs to do a better job of policing itself. Government investigators have recently discovered that the Federal Emergency Management Agency, FEMA, broke the law and misused millions of dollars to build two new warehouses it needed.

At least some of the money misused should have been spent on Hurricane Katrina victims in Louisiana.

The agency said it needed the warehouses for repair of trailers and mobile homes used by the disaster victims.

Built in the summer of 2006, after Hurricanes Katrina and Rita had devastated thousands, the agency spent nearly \$7 million on the warehouses. One of the them was paid for from federal disaster relief money, which is not a permissible use of disaster relief funds. The other warehouse was funded with the proceeds from the sale of travel trailers and mobile homes, also not an allowed use of those funds.

According to the investigation, senior officials at FEMA had rejected the proposals for the two warehouses, yet they were built anyway.

New Hydropower Source

A proposed hydropower project on the Mississippi River has renewed interest in water as a renewable energy source. Wisconsin's rivers are dammed to capacity; however, this project would be an update/improvement to an existing dam to create energy. Gundersen Lutheran Hydro LLC wants to build new hydropower generation turbines on an existing dam. "Basically this dam's been sitting dormant for 70 years, and because of sediment buildup, the gates are stuck," explained Jeff Rich, executive director of major projects and efficiency improvements for Gundersen Lutheran Health System. The project would build a new door with nine turbines that would generate power as water flows in and out of the lock. The turbines will generate 4.9 megawatts, which will offset about 90% of the health care systems annual electricity use.



The project has caught the interest of Rep. James Soletski, (Green Bay) who is also chairman of the Assembly Committee on Energy and Utilities. "I think a lot of people just put (hydropower) out of their heads," said Rep. Soletski. He continued, "it's not for any malicious reason; it's just a belief that everything's been dammed already."

The upgrades needed to create other turbine generators like this one will be expensive, and in some cases, will generate strong opposition if the construction is considered detrimental to the river ecosystem. It is expected the state will closely follow the progress of the Gundersen proposal for now.

Fear is Motivating Employees

A new dynamic has been created in the workplace these days by the downturn in the economy: employees are working harder and volunteering to help out with other tasks as they work to make sure their employer sees them as a valued employee. Bosses around the country are discovering that they can ask for a little extra help around the office and their employees are happy to comply. Employees are working on showing up on time or early for work, dressing appropriately, and showing a willingness to perform additional tasks.

Labor Department statistics show that workers have greatly boosted their productivity over the past year as layoffs have increased. Worker output-per-hour jumped 2.7% during 2008, nearly the double the increase in 2007.

While companies can use recession as a motivating force now, it can work against them if they mistreat their employees. Once the economy picks up again, employees who have been performing extra tasks without compensation will be tempted to look elsewhere for new employment. So be sure to reward those employees who put forth the extra effort when you can.

From the Desk of Attorney Kay



PUBLISHED DESIGN & CONSTRUCTION DOCUMENTS AND THE ELECTRICAL CONTRACTOR

Electrical contractors should be aware that in addition to the published design and construction documents of the American Institute of Architects (AIA) and the Engineers' Joint Contract Document Committee (EJCDC), the Associated General Contractors of America (AGC) has spearheaded the publishing of what is known as ConsensusDOCS that now compete with AIA and EJCDC published contracts. The ConsensusDOCS are sponsored by 21 endorsing organizations consisting of National Association of State Facilities Administrators, The Construction Users Roundtable, Construction Owners Association of America, Associated General Contractors of America, Associated Specialty Contractors, Inc., Construction Industry Round Table, American Subcontractors Association, Inc., Associated Builders and Contractors, Inc., Lean Construction Institute, Finishing Contractors Association, Mechanical Contractors Association of America, National Electrical Contractors Association, National Insulation Association, National Roofing Contractors Association, Painting and Decorating Contractors of America, Plumbing Heating Cooling Contractors Association, National Subcontractors Alliance, Sheet Metal and Air Conditioning Contractors' National Association, Association of the Wall and Ceiling Industry, National Association of Electrical Distributors, National Association of Surety Bond Producers, and The Surety & Fidelity Association of America. AIA and EJCDC are not among the endorsing organizations although AGC has been critically involved in the development of the EJCDC documents in the past.

AIA and EJCDC have been criticized from time to time in the past for favoring the design professions. However, both AIA and EJCDC documents have been also criticized for favoring everyone other than the subcontractor. Since electrical contractors are often performing work in the role of a subcontractor, awareness of the new ConsensusDOCS is important. The website of ConsensusDOCS, LLC is www.consensusdocs.org.

Whether an owner is inclined to use AIA, EJCDC or ConsensusDOCS in establishing its relationship with the design professional or the prime contractor, the subcontractor will often find that critical construction contract provisions are already controlling a project at the time a subcontractor is selected. Often, upstream contracts such as those between owner and design professional, and between owner and prime contractor will contain provisions that will flow down and affect the subcontractor. All too often the subcontractor is not aware of these flow-down provisions, and it is not customary in the electrical construction industry for the electrical contractor to demand copies of the upstream contracts before entering into a subcontract. While I may prefer to see electrical contractors demand copies of the upstream contracts before signing a subcontract, I know that industry customs are playing a stronger role in the sequence of events in



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August 2009

- August 5**
Madison Membership
- August 11**
Kenosha-Racine Golf Outing
- August 12**
Northeast-Fox Valley Joint Membership
- August 13**
Indianhead-La Crosse Joint Membership
- August 20**
Wisconsin Valley Membership

Upcoming Meetings

- July 30-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
- July 29-31, 2010**
NECA Summer Meeting
Radisson, La Crosse

Attorney Robert J. Kay can be reached at

Kay & Andersen, S.C.
One Point Place, Suite 201
Madison, Wisconsin 53719

Phone: 608-833-0077

Fax: 608-833-3901

www.kayandandersen.com

Last month, NECA sent a form to all member firms asking them to select the format of the new “Manual of Labor Units” that they would like to receive, either the book or the CD. Each member firm receives one free copy, however, you must request one to receive it. The Manual of Labor Units is also available for purchase of additional copies, and new this year, NECA members can purchase a subscription version of the Manual of Labor Units which works with Trade Service’s TRA-SER software program. For more information on the Manual of Labor Units, visit the NECA site <http://www.necanet.org/news/?fa=whatsNew&articleID=3682>.

Information on the subscription service can be found at: <http://www.necanet.org/store/products/index.cfm/4090-09S>.



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

NECA Convenes in Seattle

The 2009 NECA Convention will be held September 12-15. The “early bird” deadline to register for NECA’s convention is rapidly approaching. To make sure you get the best possible rate on the registration fees and hotel rooms, be sure to submit your registration no later than July 24, 2009.

As with last year’s convention, there will be considerable emphasis placed on green technologies and tools with some very interesting new pre-convention sessions offered. They include, “Energy Auditing, the Portal to Green Energy Projects, How LED Technology Can Change Your Business, Entering the Green Intelligent Building Market, Fundamentals of LEED and Keys to Business in the Solar PV Industry.” There are also a number of management seminars with a green focus, and there are sure to be many new products featured at the trade show.



The keynote speakers are Howard Behar, who joined Starbucks in 1989 and grew the business from 28 stores to more than 400. Hear how his philosophy of “people over profits” helped the company grow successfully. The closing session will feature Erik Weihenmayre, a world-class blind adventurer, and author of two books about his adventures.

The Chapter will be staying at the Sheraton, which is within walking distance of the convention center, an added bonus. And it’s a great time to visit the “left coast.”

If you have questions or would like assistance in registering, contact Rachel at the NECA Office (608) 221-4650.

Tom’s Code Corner

Question: We wired several kitchen exhaust fans for a new chain restaurant. We provided a combination motor controller and disconnect for each fan. The “starter” units are in the electrical room. The motors are on the roof. We understand that since we can lock each starter off, we have met Code. The inspector disagrees. What do you think?

Answer: Comm 16 no longer modifies the requirements for motor disconnects. 430.102(A) requires a disconnecting means to be located within site of the controller. Each controller must be capable of being individually disconnected. You have met this requirement by the use of the combination controller-disconnect. 430.102(B) requires a disconnecting means to be located within site of the motor. You have not met this requirement.

There is an exception to 430.102(B). We do not think your installation meets the conditions in the exception. If it is impracticable to locate a disconnecting means at the motor, you are permitted to use a lockable disconnect at the controller. Such would be the case for a submersible well-pump motor.

MANPOWER STATISTICS

For the Month of -- May 2009

| Local Union # | 14 | 127 | 158 | 159 | 388 | 430 | 577 | 890 | TOTAL |
|---|------------|------------|------------|------------|------------|-----------|------------|------------|-------------|
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| Local Contractors: NECA | 7 | 3 | 4 | 17 | 5 | 5 | 3 | 6 | 50 |
| Non-NECA | 32 | 10 | 14 | 18 | 9 | 16 | 8 | 14 | 121 |
| Total Local Contractors: | 39 | 13 | 18 | 35 | 14 | 21 | 11 | 20 | 171 |
| Traveling Contractors: NECA | 8 | 5 | 5 | 2 | 4 | 3 | 5 | 7 | 39 |
| Non-NECA | 4 | 10 | 4 | 3 | 1 | 4 | 1 | 1 | 28 |
| Total Traveling Contractors: | 12 | 15 | 9 | 5 | 5 | 7 | 6 | 8 | 67 |
| TOTAL # OF CONTRACTORS - LOCAL AND TRAVELERS: | 51 | 28 | 27 | 40 | 19 | 28 | 17 | 28 | 238 |
| Contractors More Than Two Months Delinquent in N.E.B.F. | 2 | 2 | 1 | 0 | 4 | 0 | 0 | 0 | 9 |
| Total Number of Contributing Contractors in Area: | 53 | 30 | 28 | 40 | 23 | 28 | 17 | 28 | 247 |
| Employees: NECA | 260 | 59 | 115 | 536 | 205 | 39 | 152 | 147 | 1513 |
| Non-NECA | 172 | 109 | 134 | 71 | 37 | 54 | 54 | 60 | 691 |
| TOTAL EMPLOYED: | 432 | 168 | 249 | 607 | 242 | 93 | 206 | 207 | 2204 |

| <u>Union #</u> | <u>NECA Division Name</u> |
|----------------|--------------------------------|
| 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.

The city of Janesville has a budget that is already stressed, yet city leaders are committed to offer incentives to anyone who is willing to take on the vacant General Motors Corporation plant and redevelop the land. The facility is a sprawling 240 acre plot featuring a 4.8 million square foot production building. The most likely scenario would be for several developers to collaborate on rehabbing the property in smaller parcels. While the city's hopes were dashed when their \$15 million cash incentive was not enough to lure GM to return to Janesville, there is a hope that some of that money can be used to entice other businesses to consider Janesville as a site for new or expanded business.



From the Desk of Attorney Kay (continued)

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the formation of construction contracts than careful lawyering may prefer. Consequently, I am often called upon to assist an electrical contractor in dealing with flow-down provisions that the subcontractor was unaware of at the time the subcontract was signed and the subcontractor work performed.

The larger the electrical construction contract, the more important it is for the electrical contractor to review upstream contracts before signing a subcontract. For unusually large electrical subcontract work, I suggest that the upstream design and construction contracts be subjected to legal review as well as the proposed electrical subcontract. Dissatisfied and disgruntled upstream contractors often decide to blame the electrical subcontractor for schedule delays and cost overruns which were actually caused by others whose work was predominantly performed prior to the major electrical construction work. The electrical contractor inherits the problems created by others and then is blamed for them.

Working Toward Health Care Reform

President Barack Obama has said that he wants a health care reform bill in 2009, and Congress has imposed an August deadline to pass the bill, meaning the parties are working hard to come up with a compromised plan they can all agree on. Most of the proposals circulating on Capitol Hill aim to provide coverage for about 95% of Americans, most of them would exclude illegal immigrants, and all aim to create a program that will help control costs without adding to the federal deficit. Some of the elements that may make it to the final bill include:

- A national health insurance exchange that would provide employers access to regulated private insurance.
- A “public plan” alternative where government would provide coverage in competition with private insurers.
- Mandated coverage for most individuals, possible subsidies for low-income and some middle-income households, tax penalties on those who do not buy insurance.
- Insurance pools would be created to allow small companies to purchase insurance at much lower rates, similar to rates that larger companies pay.



It is likely that all businesses will be required to pay a percentage of either the employee’s premium, or pay a percentage of their payroll toward providing health insurance, or they will face additional taxes.

It is estimated that the U.S. spends nearly 50 percent more per person on health care than the next most expensive nation. In 2007, America’s health care costs reached \$2.2 trillion, representing 16 percent of the gross domestic product.

Paying for the health care bill is another matter, and as expected, there are no easy solutions to fund the program that some estimate will cost \$1 trillion over 10 years. Congress has allocated \$634 billion for a down payment on health care reform, but that is just the first step. Possible ideas include changes to Medicare/Medicaid coverage, cracking down on Medicare/Medicaid fraud, and taxes including a proposed tax on employer-provided health insurance.

One thing is certain; reform is needed to help control costs which have been spiraling out of control for years. In 2007, nearly two-thirds of all personal bankruptcies filed across the country were linked to illnesses, loss of income or high medical bills, and of those, nearly 78% of them had health insurance when they first became ill. Even the insured are finding it harder to pay their deductibles and co-pays as employers struggle to maintain coverage with rising costs.

The healthiest competition occurs when average people win by putting above average effort.

- Colin Powell