

SPRING 2018



CPMCA PIPELINE



Newsletter of the California Plumbing and Mechanical Contractors Association



MCAA welcomed CPMCA leaders and members of the new University of Southern California Student Chapter: (L-R) MCAA Career Development Chair John Finch, CPMCA President Steve Cornelius, Steve Pokwo, Felipe Hernandez, Nicole Wong, Alfredo Leal, Professor Henry Koffman, CPMCA Education Committee Chair Harry Bederian, Kathy Deng, Julia Lind, Alexander Huerta, CPMCA Education Director Michelle Lynn, and MCAA President Greg Fuller

MEMBER NEWS

2018 MCAA Conference in Sunny San Antonio

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PERSPECTIVES

Bridging Generations – Working with Millennials

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WHAT'S NEW

New Programs at CPMCA!

[Have a look on page 3](#)

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Cutting-Edge Innovations at CPMCA Tech Day



HELLO AGAIN

CPMCA Pipeline is Back!

CPMCA Pipeline is your source for the latest news and updates in Southern California's union mechanical contracting industry.

President's Message

By Steve Cornelius, University Mechanical & Engineering Contractors



Happy Spring! I am pleased to greet you as your new CPMCA president, which was effective January 1. I'd like to thank the other members of the board, as well as past president Dave Quirk, for entrusting me with this new responsibility and for providing their support and guidance as we move forward.

NEW BOARD MEMBERS

Spring is a time when new beginnings naturally occur all around us—and CPMCA is no exception. With gratitude to our longtime leaders for their consistent hard work in support of the organization, we'd like to announce our new board members. These new leaders, who assumed their new roles on January 1, include Harry Bederian (ARB, Inc.), John Feikema (California Spectra, Inc.), Tom Finell (Southland Industries), Bryan Suttles (Suttles Plumbing & Mechanical Corporation), and Larry Verne (Verne's Plumbing, Inc.). Welcome and we look forward to working together!

NEW DEVELOPMENTS AT CPMCA

This year, CPMCA has introduced some new efforts to serve our members. These include the new Service Contractors Alliance, Associate & Affiliate Member Committee and Industrial Contractors Committee. These subgroups will serve to train, connect and support our members in these fields. Additional meetings are coming up this year, so please keep an eye out for our alerts.

We've also recently concluded our Technology Day 2018 event, which was held on April 5. This event was new to CPMCA this year and gave our members an opportunity to discover cutting-edge technology and resources that will benefit our industry.

UPCOMING EVENTS

We have some member events coming up soon that will be sure to provide great networking and learning opportunities. Please save the date for our CPMCA Annual Retreat July 25–29 in beautiful Napa. We're also looking forward to supporting MCAA at the Great Futures Forum in Anaheim from September 27–29, as well as at the Mechanical Service Contractors Association conference in Huntington Beach from October 21–24.

I'd like to thank the CPMCA staff for their ongoing dedication to our members, as well as our CPMCA leadership and our associate and affiliate members who do so much to support the organization. I look forward to seeing everyone at this year's events! Thank you for the honor of serving as your president.

CPMCA Executive Committee 2018-2019

Steve Cornelius, President
University Mechanical & Engineering Contractors

Jim DeFlavio, Vice President
Murray Co.

Jay Lusita, Secretary
Tier One Plumbing

Tim R. Healy, Treasurer
ARB, Inc.

Bryan Suttles, Executive Committee-Elect
Suttles Plumbing & Mechanical Corporation

Board of Directors, Term Ending 12/31/2018

Mark Felio
Paul Hansen Equipment, Inc

Pete Fortin
ACCO Engineered Systems

Steve Fosdick
Murray Co.

Mike Martin
Couts Heating & Cooling, Inc.

Dan Naylor
Kinetics

Randy Stewart
Pan-Pacific Mechanical

Board of Directors, Term Ending 12/31/2019

Harry Bederian
ARB, Inc.

Matt Cunningham
Jackson & Blanc

John Feikema
California Spectra, Inc.

Tom Finell
Southland Industries

Bryan Suttles
Suttles Plumbing & Mechanical Corporation

Larry Verne
Verne's Plumbing, Inc.

Staff

Chip Martin, Executive Director

Johanna Bracy,
Vice President of Member Services

Dana Giambalvo, Office Manager

Michelle Lynn, Director of Education

Check out our new web presence!

We've updated our CPMCA website, app, and social media! Join us at www.cpmca.org, on Facebook or on LinkedIn, and download or update our new app to learn what's next!



Letter from the Executive Director



By Chip Martin

Spring is in full bloom, 2018 is flying by, and like you, CPMCA is running full tilt. We're always working to provide the best advocacy and services to benefit our members and the industry at large. We've enjoyed spending time with you at our events so far this year, at our board and member meetings, multiple labor management meetings, MCAA Convention, our first ever Technology Day, and our annual golf tournament. And there's still so much more to come!

We look forward to welcoming members to our CPMCA annual retreat, which will be in beautiful Napa this year. And as always, we invite you to join us at the upcoming national MCAA events, including the Great Futures student conference in September and the Mechanical Service Contractors of America National Convention (both in Southern California this year!). We're also proud to introduce new CPMCA initiatives for our members who are service contractors, associates/affiliates or industrial contractors. Get more involved with CPMCA this year and watch your business flourish!

Warmly,

Chip Martin
Executive Director, CPMCA

New CPMCA Members

Over the past year, we have had several new additions to the CPMCA family. Please welcome our newest members!

Contractor Members

Jackson and Blanc
Mac5 Construction
DVBE Mechanical, Inc.
Hickman & Son Mechanical, LLC
TRSC, Inc.

Associate & Affiliate Members

Trek Engineering, Inc.
Dawson Company
Genesis Mechanical Design, Inc.
ACME Construction Supply
Rhumbix
James, Cooke & Hobson, Inc.
Accurate Air Engineering
IPS Corporation
Viega

What's New

Associate & Affiliate Member Committee

Want to help shape CPMCA's plans for our associate and affiliate members? Join our Associate & Affiliate Member Committee! We'll discuss current and future needs and how to ensure that members are able to leverage membership for better connections and profitability.

Industrial Contractors Committee

CPMCA is proud to announce a new committee for our members working in the industrial sector. The group will discuss current issues and best practices, and will help to direct CPMCA's services for our industrial contractor members.

Service Contractor Alliance

CPMCA announces a new group for our service contractor members! This association will provide new services tailored to helping our service contractor members to flourish. We'll focus on increasing education, advocacy, marketing and networking, all tailored to the needs of our members in plumbing service contracting. Meetings will take place around our region in San Diego, Orange County and Los Angeles. In the upcoming CPMCA Seminar Catalog, look for upcoming classes tailored to our service contractor members!

For more information or to get involved with any of these programs, contact Johanna Bracy at johanna@cpmca.org

IMPORTANT Journeyman Upgrade Training Program Updates



Effective September 1, 2018, all Book 1 and Book 2 journeymen must complete 10 hours of training as a condition of employment.

In order to be eligible for new or continuing employment within the District Council 16 jurisdiction, this upgrade training mandate **MUST** be completed annually by all Journeymen. Members must attend ALL hours of training and pass the course with a 70% or better.

This new requirement is mandated in Section 5.9.1 of the Master Labor Agreement (2017-2026) for the Plumbing and Piping Industry of Southern California between the CPMCA and Southern California Pipe Trades District Council No. 16.

The training hours requirement will increase to 15 hours per year on September 1, 2020 and to 20 hours per year on September 1, 2022.

For questions or concerns, please contact jut@ajtraining.org or see <https://www.uniontopics.com/journeyman-training/>

To view the list of approved journeyman upgrade training courses, visit <https://grading.ajtraining.org/Documents/JUT.pdf>

MEET YOUR NEW JOURNEYMAN UPGRADE TRAINING ADMINISTRATOR



Jaime Clark became the new Journeyman Upgrade Training Administrator at the end of April and will be coordinating our new Journeyman Upgrade Training Program.

Jaime is a familiar face around the A&J, as she previously worked for fourteen years in the finance office there, where she assisted in the development and subsequent formation of the Journeymen Training Incentive Program.

In her new role, Jamie will be running the Journeyman Upgrade Training program. She will schedule Journeyman classes, track hours, provide updates to Members, Locals and Contractors, and meet with the JUT Committee & Executive Committee to approve classes taken at contractors or with vendors.

Welcome, Jaime!

NEW EXECUTIVE DIRECTOR AT APPRENTICE & JOURNEYMAN TRAINING TRUST FUND



In March, **Ray LeVangie III** became the new executive director of the Apprentice & Journeyman Training Trust Fund.

Prior to this position, Ray was an organizer for Local 398, and he has also served as a plumbing and piping instructor for the A&J and a Medical Gas instructor for the United Association. Ray has also worked for Pan Pacific Mechanical and Murray Company in BIM and detailing, and has earned college and graduate degrees in industrial training, construction supervision and business.

Please join us in welcoming Ray!

2018 CPMCA Technology Day

This year, we introduced a new event: CPMCA Technology Day! In a beautiful oceanfront space in Marina Del Rey, participants took part in a day showcasing innovations in the mechanical construction industry. Nearly 20 companies displayed their

most cutting-edge products and services at a vendor exhibit. The fantastic keynote speakers included Rob McKinney (JB Knowledge), Nick Espinosa (Security Fanatics), Jim Reis (Trimble) and Joe Mierzejewski (JC Cannistraro). Over dinner, the

crowd was entertained by top comedian Bryan Kellen. We finished the evening with a raffle of exciting prizes, including iPads and drones. Participants thoroughly enjoyed their day of learning and we look forward to hosting it again next year!



Michelle Lynn and Johanna Bracy of CPMCA welcomed guests to the event



Nick Espinosa spoke about cybersecurity needs in a dangerous world



Rob McKinney of JBKnowledge presented on software solutions to help contractors go paperless



Vendors demonstrated their newest technologies



CPMCA members, guests and vendors got acquainted and learned about important innovations



Participants enjoyed a beautiful ocean sunset view during the event



Tech Day - USC Students Alexandro Huerta and Kathy Deng help with registration



Tech Day Check-in



Tech Day Lunch

CPMCA Annual Meeting and Dinner

Our Annual Meeting and Dinner were a hit! The beautiful holiday decorations of Lakeside Golf Club in Burbank provided the perfect backdrop for a magical evening that brought together CPMCA members and affiliates. The annual meeting was productive and informative, and we welcomed new CPMCA members and staff. Following the meeting, we hosted nearly 350 members and guests for the party. As a new surprise this year, following dinner our guests were treated to the smooth stylings of The Zippers, one of the best dance bands in the country, and everyone danced the night away. The event brought together old and new friends and colleagues and let us wrap up the year in style.



Jaime and Rachel Valdivia (PIPE) catch up with John Odom (Murray Co.)



John Deunay, Michelle Deunay & Donald Kirkland of Enviro Products West smiled for the camera with Sarah Deunay (Ocean Park Mechanical), Alex Jimenez (Delco Sales) and Beni Monaco (Monaco Mechanical)



Christine & Jay Lusita (Tier One Plumbing) shared a moment under the mistletoe



Donald & Selena Kirkland (Enviro Products West) shared a wonderful meal with Steve & Julie Preece (Farwest Insulation Contracting)



Tony & Johanna Bracy joined Michelle & Dallas Lynn for the festivities



Guests enjoyed good company over dinner



Guests, including Jaime Valdivia of PIPE, enjoyed the band's holiday music



Karen and John Odom (Murray Co.) hit the dance floor



Ira Schumer and Katie Hubach (Signature Sales) smiled for the camera



Student Chapter members Brian Sararu and Tanner Morgan of Cal Poly-Pomona volunteered to welcome guests to the event



Tammy and Bob Felix (All Area Plumbing) enjoyed the holiday festivities



Dinner guests Mary Graham (Mueller Ind.), Rick Moreno (Astro Mechanical), Mark & Jean Felio (Paul Hansen)



Kendall Nohre and CPMCA's Chip Martin welcomed guests to the event



Gail Quirk and CPMCA Past President Dave Quirk shared a smile over dinner



Jennifer Guzman and Allen Aguilar of Murray Co. dined with Tom Murphy (Columbia Specialty Co.)



Kaci & Scott Kincaid (Kincaid Industries) joined Agnieszka & Dan Naylor (Kinetics) for dinner



The Zippers, a top dance band, lit up the stage and inspired guests to hit the dance floor



Guests enjoyed the live entertainment and festive atmosphere



Service members from the U.S. Marine Corps joined the party to collect Toys for Tots and share Christmas cheer



Nina & Steve Fosdick (Murray Company) enjoyed a sleigh ride together



Steve Shirley (University Mechanical), John Modjeski (University Mechanical), Joe Stepanski (Victaulic), and Jonathan Bauer (Victaulic) were all smiles

MCAA Convention 2018

In March, 65 CPMCA members and affiliates attended the Annual MCAA Convention in San Antonio, Texas. The warm Texas weather was a welcome treat after months of cooler temperatures in Southern California. We enjoyed getting to know the city of San Antonio, with its famous Riverwalk and, of course, the Alamo!

This year's Convention offered many opportunities to connect with others in our industry and learn how to improve our businesses and relationships. We heard from an impressive group of keynote speakers and performers, including Malcolm Gladwell, Laura Bush, Terry Bradshaw and David Robinson. Members also enjoyed networking in the CPMCA hospitality suite, attended a golf outing, sampled Texas barbecue at a dude ranch, and absorbed new information during conference sessions. On the last night, we were treated to a heart-stopping performance by country music legend Keith Urban.

CPMCA was well represented on the big stage before more than 3000 MCAA members nationwide. Jaimi Lomas of A.O. Reed, Chair of the Mechanical Service Contractors Association, appeared onstage to present the inaugural Women in the Mechanical Industry Scholarship to two outstanding students. Also, this year's Safety Excellence Award (in Category 2) went to CPMCA's own Xcel Mechanical Systems, joining the four other winners on the stage to be honored for their outstanding achievement in safety.

Finally, our CPMCA student chapters also made a strong showing and participated in numerous events during the Convention. We were pleased to host students from our new chapter at the University of Southern California, and MCAA honored USC on the big stage, welcoming the university as the newest MCAA student chapter.



Xcel Mechanical Systems accepted MCAA's Safety Excellence Award



Jaimi Lomas of A.O. Reed joined Greg Fuller to present the inaugural Women in the Mechanical Industry scholarships



Steve Shirley, Jim Cunningham, Steve Fosdick, Tom Duddy and Larry Verne



Tom Duddy, Deanne Duddy, Steve Fosdick, Nina Fosdick, Larry Verne, Barbara Verne, Johanna Bracy and Kendall Nohre



Author and thinker Malcolm Gladwell shared ideas about improving our teams and society



Keith Urban performed for CPMCA guests



Former First Lady Laura Bush joined the group for an intimate conversation



CPMCA guests had front row seats to a talk by celebrity chef Carla Hall



Cal Poly-Pomona students Abel Medina, Tanner Morgan, David Chacon and Heming Diep enjoyed the awards banquet



NBA Legend David Robinson and MCAA President Greg Fuller



Dallas Lynn joined John & Karen Odom for a night of real Texas barbecue



Student Chapter members enjoyed a TexMex dinner

Perspective



Working with the Millennial

By Kevin Dougherty, Public Speaker and CPMCA Instructor

There is a lot of talk in our industry about millennials. This demographic group is the largest on record, roughly 90 million strong, making up almost 28% of the population.

Born between 1981 and 2000, this demographic group is a powerhouse and sometimes baffles the older work force. The most culturally diverse demographic group ever can sometimes be viewed and stereotyped by their older colleagues as lazy, entitled, coddled, narcissistic, etc. However, we should never discount millennials because they are smart, very tech savvy, want challenges and advancement quickly, and are taking the workforce by storm.

We should never discount millennials because they are smart, very tech savvy, want challenges and advancement quickly, and are taking the workforce by storm.

So the question becomes, how do I work with and manage this millennial worker? The answer is with good management and leadership, no different than any of the other demographic groups, we can work effectively with this workforce group. Here are some tips:

- **Start with good communication.** Although technology is most millennials' preferred communication style, use whatever communication you can, and reinforcing a good verbal conversation follow-up with a text or email helps insure proper communication. Good communication is a two-way street - don't simply assume they understand your point, force feedback. The more ways you try to get your point across the more likely your point will get across.
- **Provide constant feedback.** Like any worker, everyone wants to know how they are doing. Praise often and in public. Coach and improve in private. Establish set times to meet and coach. You must make the time to help this worker develop. If you leave them alone they will feel alone. Do more pre-task coaching and less post task criticizing.

- **Remember that workers want to be involved.** One of millennials' strengths is that they are great collaborators. Nobody goes to work wanting to suck. Provide the opportunity for the worker to learn and have success. Help them feel part of the team, ask for their input, include them, and don't shut down their ideas.

- **Provide access to training and coaching.** All good workers want to improve, and workers can become bored, so providing the chance to try new things and learn new skills is critical to retaining and motivating the worker. Just because someone has less experience does not mean that they cannot take on more responsibly. Any good worker wants to advance so providing the chance for the worker to try their new skills is critical to their success.

- **Provide a clear message of the expectations.** Get their buy-in and make sure the worker understands. Create non-negotiable items such as: show up on time, when at work... work, be professional, treat people with respect, work safe, no stealing, etc. Don't simply assume the worker understands. Describe in detail what you mean. Employee turnover is caused by the fact that we hire the wrong person and our expectations are different than the workers.
- **Be consistent.** Workers need a consistent beacon, treat everyone the same, no special treatment, rules must be consistent. You can motivate each worker differently, however you must have consistency in the rules.
- **Do what you say.** Walk your talk, you have to follow your own rules, you get respect by giving respect.

With the above considerations, you will be on the way to a great working relationship with your millennial team members.

Perspective



Helping Millennials Like Me to Thrive in the Workforce

By Sara Gallardo, Project Coordinator, Southland Industries

There are so many differences with the older and younger generations in the workforce today. I'm what you might call the "older millennial." Both my parents were "Baby Boomers," and

because of them I have picked up a lot of older values as well as the new "values" that come from the younger millennials.

It's hard for me to call myself a millennial sometimes. We do get a bad rap in the workforce as "the coddled ones," "entitlement generation," "generation why," and of course we all got participation trophies as kids. But this generation should be given credit for being tech savvy, creative, inventive and unafraid of challenges, or at least of failure. We went from getting the message of "you can be anything you want to be when you grow up" to "you can do anything you want to do."

For most of our lives, we saw corporate executives as people who had spent their entire careers in one company or industry, starting from the bottom and slowly working their way to the top over long decades. Today there are more of the young billionaire founder/CEO persona in the workforce and in popular culture. These CEOs are social media boomers. When information is at your fingertips, as it always has been for my generation, you're able to teach yourself pretty much anything and therefore years of experience and knowledge aren't as valuable or impressive to some of us. We value new challenges and consistent growth in our work.

To keep millennials interested and working hard, managers should push us to learn and yearn for knowledge, and also provide those opportunities. Leadership should get more involved companywide in social media and the internet. Let millennials know that this is a company we want to work for, and how we can still make a difference from where we are in the company.

Expectations of management is a big thing for millennials. From the perspective of an older millennial, I've found that specifically younger millennials see their senior colleagues as partners, and they want their older peers to help them reach their full potential and help fulfill their goals. Like it or not, this is a group with incredibly high expectations, which means that we are quicker to trust you, and also to push you

into being a better manager. When millennials work hard and achieve goals, we hold you accountable for making sure that we are rewarded, recognized, and (most importantly) given new opportunities to excel. The need for constant recognition is one of the hallmarks of our group. This generation does seem to be a bit more sensitive and lack a hard

outer shell like the older generations. But studies have shown that, across generations, effective managers are open and willing to change and adapt to today's world. If you're a manager or boss and you're struggling to connect with your younger millennials, make time for training and mentoring them. Stay open and willing.

Some of the biggest gaps that I see between our millennials today and previous generations are in gender and education. There are more of us than ever in the workforce with at least a bachelor's degree. And nearly half of young woman in the U.S. today now have a bachelor's degree. This focus on educational achievement also plays out in our high expectations of the contributions we will be able to make in the workplace.

This generation did grow up in a social media world, with education at the tips of our fingers, and more parental attention. But we want the same things that every employee wants: one-on-one training, consistent scheduling, meaningful work relationships, and learning and career opportunities. By focusing on these universal needs, we can shorten that gap to make a better workplace for everyone.

Like it or not, this is a group with incredibly high expectations, which means that we are quicker to trust you, and also to push you into being a better manager.

EDUCATION PROGRAM UPDATE

Student Chapter Update

CPMCA's Student Chapter Program continues to flourish. In January, we were thrilled to welcome a new student chapter at the University of Southern California, which now joins our existing chapter at Cal Poly University – Pomona. Both groups traveled to Reno in February, where they made a strong showing at the Associated Schools of Construction Student Competition along with other mechanical teams from across the country. CPMCA also hosted both student groups at in San Antonio at the annual MCAA Convention, and we look forward to continuing our work with these promising students in the future!

USC Student Chapter members make an appearance at the MCAA Annual Chapter Exhibit

MCAA Members: Don't forget that MCAA offers internship grants to members who hire college interns!

For more information, see <https://www.mcaa.org/news/hiring-summer-interns-dont-forget-mcaa-internship-grants/>



2017 SCHOLARSHIP WINNER MARUGENIA ALFARO

Marugenia Alfaro

Marugenia was a winner of our 2017 CPMCA Scholarship. Marugenia is a CAD Assistant at Murray Company and a student at California State University – Long Beach.

I am honored to have received the 2017 CPMCA scholarship. CPMCA has impacted my career by giving me the opportunity to continue my education.

I am currently attending CSU – Long Beach and pursuing my Bachelor of Science in Civil Engineering; As I transferred to this university, I have had the opportunity to interact with other students who share the same interests. I have become active by joining several organizations such as the American Society of Civil Engineers, Women in Construction Operations, and Associated General Contractors of America. Each organization has different characteristics which make them unique and helps me learn about different aspects of our industry.

It is important to emphasize that construction is not just a business, but it requires a successful team to bring ideas together to make a project reality. Murray Company has given me the opportunity to learn. I started working in the detailing department and recently moved to the engineering department. Murray Company not only provides numerous

resources to learn from, but it is also composed of employees who work as a team. I would like to give credit and emphasize a quote that represents Murray company: "Perfection is not attainable, but if we chase perfection we can catch excellence." – Vince Lombardi

As a woman in this industry and the first in my family to attend university, I believe that it takes perseverance and dedication to accomplish certain goals, and my achievements are important not just to me but also to my family. Engineering is not just any profession, but requires teamwork by a group carefully shaped to find solutions. CPMCA opens the door to those students who are willing to work, succeed and pursue a goal. Education provides the foundation to make any company successful. In addition, education could be mathematically defined as infinity since there is no limit to it. It is important to remember that questions give us answers, answers give us knowledge, knowledge gives us power, and power gives us success. Although it is difficult to balance education and work, perseverance is what overcomes every challenge. I am honored CPMCA has taken part in this journey with me.

Thank you to CPMCA!

CPMCA Education Program

This year, CPMCA presents another packed course schedule in our industry-leading Education Program. The program aims to cater to multiple roles within member companies and to continue to offer a rich array of courses for CPMCA's membership. Over the past year our Education Program has included a wide variety of courses, from the foundational skills of estimating and project management, to big-picture subjects such as "Learning, Leading and Leaving a Legacy" and "Doubling Your Bottom Line." Members have found the classes to be educational and entertaining, and a great way to stay up to speed in our constantly changing industry.



Attendees pay close attention in "Mastering the 8 Tenets of Values-Based Leadership" in January 2018



Our popular BlueBeam class drew eager participants in January 2018



Participants in the Project Manager & Foreman Training Series enjoyed a highly interactive semina.



The Project Manager & Foreman Training Series helped participants step into stronger leadership roles



Participants in our CPR course receive hands-on training to learn life-saving skills



Participants in CPMCA's Mechanical Estimating class demonstrate the delicate dance of estimating



Participants in our Customer Service Excellence class learned through powerful roleplay exercises



Group exercises helped participants master the subject matter in CPMCA's Real Cost of Changes course



Participants in our Project Manager & Foreman series learn advanced management skills

2018 Safety Star Awards

The CPMCA Safety Star Awards program recognizes and rewards safety excellence and provides statistical reports to all participants for evaluating their company's safety performance. CPMCA awards are given by company size and type of company.

ARB was the overall winner, with 3,07524 man hours. ARB's OSHA Recordable Incidence Rate was an incredible 0.13, and their OSHA Days Away Restricted/Transferred Rate was 0.20.

Congratulations to this year's winners for their exemplary commitment to safety!

2018 SAFETY STAR AWARD WINNERS

50,000 to 100,000 Hours

**City Commercial
Plumbing, Inc.**

500,000 to 1,000,000 Hours

**Schultz Mechanical
Contractors, Inc.**

100,000 to 250,000 Hours

Kinetics Systems, Inc.

>1,000,000 Hours

ARB, Inc.

250,000 to 500,000 Hours

**Muir-Chase Plumbing
Co., Inc.**

OVERALL WINNER

ARB, Inc.

Federal Legislative Update

In May, the Construction Employers of America welcomed dozens of MCAA, SMACNA and TAUC members to the annual National Issues Conference in Washington, DC. Over the course of three days, members learned about and advocated on behalf of this year's three signature issues: multi-employer pension reform, the federal infrastructure Plan, and federal paid Sick and Family Leave. After hearing political updates from nearly a dozen members of Congress, participants capped the program off with a visit to Capitol Hill to lobby their representatives on behalf of our industry in favor of three measures:

- **GROW Act** – Participants encouraged members of Congress to support H.R. 477, the Giving Retirement Options to Workers (GROW) Act. Legislators were asked to support the new Composite Plan model (a hybrid of the traditional defined benefit model and the defined contribution model) to increase flexibility among options available to surviving pension plans, while Congress works separately to find a solution for failing plans.



Don Giarratano (Muir-Chase) and Johanna Bracy (CPMCA) visited Capitol Hill to advocate for the industry.

- **National Infrastructure Investment** – Participants sought support for the FAA authorization bill, H.R. 4, as well as increased

federal investment in the nation's infrastructure to meet modern demands and provide good jobs in the construction industry.

- **Paid Family and Sick Leave** – We asked legislators to support H.R. 4219, and its ERISA preemption provision, which would supersede the current patchwork of state and local leave policies. We also asked them to consider the disruptive effect of mandated paid leave programs on employers with collective bargaining agreements, and asked them to consider a carveout for collectively bargained benefit plans.

Given the current legislative gridlock in Washington, it is unclear whether these pro-construction measures will be enacted during this legislative session, but participants were glad to be able engage in valuable advocacy with their elected representatives.



California Adopts Strong New Worker Misclassification Test

The California Supreme Court has adopted a new legal standard that will make it much more difficult for businesses to classify workers as independent contractors. Under the new “ABC” test, a worker is considered an employee under the Wage Orders unless the hiring entity establishes all three of these prongs:

- A) the worker is free from the control and direction of the hirer in connection with the performance of the work, both under the contract for the performance of such work and in fact;
- B) the worker performs work that is outside the usual course of the hiring entity’s business; and
- C) the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hiring entity.

This decision also imposes an affirmative burden on companies to prove that independent contractors are being properly classified.

This decision is a seismic shift for California wage and hour law. The nonunion sector will now have a much more difficult time classifying employees as independent contractors, and misclassification of such workers will result in significant legal exposure with respect to wage and hour compliance.

Federal OSHA Reporting Requirement

Effective January 1, 2017, employers in states regulated by federal OSHA were required to electronically submit Log 300 records of injuries and illnesses. State-run safety and health programs like CalOSHA were required to respond and comply to the change, although CalOSHA has not yet completed its review of this change.

However, on April 30, 2018, federal OSHA posted a “trade release” requiring all affected employers to submit injury and illness data in the federal OSHA Injury Tracking Application (ITA) online portal, even if the employer is covered by a state plan that has not completed adoption of their own state rule. Construction employers with a workforce from 20 -249 employees must report their log 300 information for the year 2017 through the ITA portal by July 1, 2018.

Immigration Worker Protection Act

In 2017 California passed a new law, the Immigration Worker Protection Act, that prohibits employers from voluntarily cooperating with ICE. Under the new law, employers are prohibited from allowing immigration enforcement agents into non-public areas of the workplace without a judicial warrant and from allowing ICE agents to access or obtain employee records without a subpoena or judicial warrant. (There is an exception to this requirement for Notices of Inspection, which are generally letter requests for Form I-9s and sent to an employer at least 3 days in advance of the inspection). The new law also requires employers to provide their employees with written notice when the employer is notified that it will be inspected by ICE. (The CA Dept. of Industrial Relations has developed a template for employee notice, which is available on its website.) Employers who violate the new law will be subject to penalties ranging from \$2,000 to \$5,000 for first violations, and \$5,000 to \$10,000 for subsequent violations.

Contractors should educate their managers and any employees likely to encounter an ICE agent (such as receptionists, security officers, jobsite foremen, etc.) not to provide access to ICE agents unless they produce a judicial warrant, and not to voluntarily provide them with any employee records. Field employees should be advised to contact a foreman or management if approached by ICE, and to take a picture of any “official-looking” paperwork presented by ICE to send to a manager or to your main office for review. Managers/foremen should also be instructed to contact upper management if approached by ICE, and to provide upper management with any “official-looking” documents presented by ICE. ICE agents should be politely told to wait in a public area (which may be outside or on the street, in some cases) until upper management is contacted. ICE agents may act like they have the authority to demand access to employee records or non-public work areas without a warrant or subpoena, but they do not—and giving in to their demands could subject the company to penalties.

You should keep all Form I-9s in a separate file. You should also be using the most recent Form I-9 for new hires (released Jul. 17, 2017). Conducting an I-9 audit is also recommended.

In early January, 2018, US Immigration and Customs Enforcement also updated its I-9 Handbook for Employers, which you can print out for your office or jobsite use.



California Plumbing & Mechanical Contractors Association
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Burbank, CA 91505

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Save the Dates!



CPMCA ANNUAL RETREAT

Wednesday, July 25 – Sunday, July 29

Vintage House, Yountville, CA



CPMCA LABOR/MANAGEMENT MEETING

Tuesday, October 9

Long Beach Marriott