

**CONSTRUCTION CLAIMS TASK FORCE**  
**DRAFT**  
**Regular Meeting Minutes**  
**December 8, 2006**

The Construction Claims Task Force met on Friday, December 8, 2006, in Room 260, Labor and Industry Building, 350 Winter Street NE, Salem, Oregon.

**Members Present:** David DeHarpport  
Jon Fahr  
Eric Grasberger  
Elsie Jones  
Steve Malany  
Laura Schauer  
Tom Skaar  
Jim Vavrek

**Members Absent:** Bill Nesmith

**Staff Present:** Mark Long, Administrator of Building Codes Division  
Richard Baumann, Building Codes Division  
Chris Huntington, Building Codes Division  
David Dahl, Insurance Division  
Cece Newell, Insurance Division  
Joyce Patton, Insurance Division  
Andrea Simmons, Building Codes Division  
Tamara Brickman, Building Codes Division  
Rick Blackwell, Building Codes Division  
Ravi Mahajan, Building Codes Division  
Michael Morter, Building Codes Division  
Craig P. Smith, Construction Contractors Board  
Kristie Patton, Construction Contractors Board  
Cathy Dixon, Construction Contractors Board

**Guests Present:**

Alan Seymour, ODOE  
Ron Allen  
Brian Miller, Farmers Insurance  
Brian Doherty, Miller Nash  
Tom Dymont, CBIC  
Larry Peabody, ORA  
Jutta Barney, Oregon Mutual  
Stuart Ramsing, OBOA  
Jim Nicks, City of Portland

Jack Munro, AIA/IIABO  
John Powell, AIG/State Farm, Liberty NW  
Bill Cross, OBOA  
Lana Butterfield, BCS  
Toni Choprick, Oregon Mutual  
Scott Barrie, OHBA  
Jenna Sweaningen, OHBA

**Action Items**

- Submit public notice for December 20, 2006 meeting.
- Final action on proposals.
- Finalize legislative report

**I. TASKFORCE BUSINESS****A. Call to Order:**

Chair Eric Grasberger called the meeting to order at 1:40 p.m.

**B. Approval of Agenda for December 8, 2006 Meeting and Order of Business:**

**MOTION:** Laura Schauer moved to approve the agenda for the December 8, 2006 meeting.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**C. Approval of November 28, 2006 Meeting Minutes:**

**MOTION:** Laura Schauer moved to approve the November 28, 2006, meeting minutes.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**D. Next Meeting Date:**

**MOTION:** Eric Grasberger moved to approve the next meeting date of December 20, 2006, 9:00 a.m. to 2:00 p.m. and the final meeting January 12, 2007, 9:00 a.m. to 12:30 p.m.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**E. Project Update:**

Mark Long, Building Codes Division (BCD), reported that the revisions from the last meeting have been incorporated into the draft report. Discussion of the six Phase I proposals and three of the proposals in Phase II are ready for discussion. Two of the Phase II proposals, first party warranty and wrap policies will be discussed at the December 20, 2006 meeting. Mr. Long further reported that on December 1, 2006, he provided a status update to the Senate Interim Committee Consumer Protection on the Task Force's progress and recommendations. The legislative concepts (proposed draft bills) that will be introduced based upon recommendations from the Task Force will need to have a legislator or committee sponsor them since it is too late to file them pre-session.

**II. DISCUSSION OF PROPOSALS:**

Task Force members reviewed the proposals contained in the draft report (**Exhibit 12**).

**A. Phase I:****1. Recommendation 1: Clarifying Building Code Requirements:**

Task Force members discussed that their intent is that the moisture content is checked prior to closing the walls. Walls should not be closed unless a moisture reading of 19 percent or less is achieved. A concern is that the moisture content is not inspected by the local jurisdiction. Perhaps the building official should take moisture content readings when performing the insulation inspection. Task Force members made the following revisions:

- No. 2, delete “require a minimum flow rate of 80 cubic feet per minute (cfm)” and add “and provides a minimum cfm rating of XX”. (Staff to determine the appropriate cfm rating.)
- No. 8. is to read: Require appropriate, horizontal flashing over all plant-on trims and appropriate assemblies, such as ‘z’ metal flashing configurations and decks, including transitions.

**MOTION:** Laura Schauer moved to approve proposal 1 with the changes noted.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**2. Recommendation 2: Construction Contractors Board Enforcement and Licensing Changes:**

Task Force members discussed the recommendations and made the following changes:

- No. 1., add “unpaid construction debt”.
- No. 2., to read: Licensees or responsible managing individuals subject to sanction by the CCB may be prohibited from serving as owners, officers, directors, responsible managing individual, or managers of another construction firm.
- No. 3. needs to add RMI and reworded to reflect that CCB has authority on both new applications and renewals.
- No. 4. add RMI, business entities, and reword to include language on page 5 regarding North Carolina’s wording.

**MOTION:** Tom Skaar moved to approve proposal 2 as amended and discussed.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**3. Recommendation 3: Recovery Fund:**

Task Force members discussed the recommendations and made the following changes:

- Task Force members discussed changing the name from “recovery fund” to something different; possibly “limited assistance fund”.
- No. 3, delete entirely.

- No. 5, revise to say, “provide authority to” and delete reference to assessment to residential contractors (anyone permitted to do residential work), money for fund will be from fines and interest monies only. Move this item to no. 1 and make it clear that fund will be paid for from money collected from CCB fines.
- No. 12, add wording to make it an annual cap of \$100,000.
- No. 13, explain what actual damages means.

**MOTION:** Tom Skaar moved to approve proposal 3 as amended and discussed.

**VOTE:** 7-1, Ayes—Deharport, Grasberger, Fahr, Malany, Schauer, Skaar, and Vavrek; Nays—Jones.

**MOTION PASSED**

**4. Recommendation 4: Consumer Information:**

Task Force members discussed the recommendations and made the following changes:

- Clarify in policy statement that the notices apply to residential only work.

**MOTION:** Steve Malany moved to approve proposal 3 as amended.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**5. Recommendation 5: Residential Permits:**

Task Force members discussed the recommendations and made the following changes:

- No. 1, add wording on a proactive method to get the notice handed out by building officials.
- No. 2, BCD to work with local building officials to add a prescribed minimum number of days to issue occupancy certificate and what happens if the jurisdiction does not comply. Delete “(2) the responsibility of the owner to supervise construction work, if the owner is acting as their own general contractor”.

**MOTION:** Jim Vavrek moved to approve recommendation 5 as noted.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

**MOTION PASSED**

**6. Recommendation 6: Building Envelope Certification:**

Task Force members discussed the recommendations and made the following changes:

- No. 5, add workmanship
- No. 7, needs to be reworded to require that commercial work followed the plans and specifications and meets code and that residential work meets code requirements, approved designs, etc.

- Task Force members discussed changing the recommendations to require all workers on building envelopes to take training. Require two levels of training: 1) supervisory; and 2) individual workers. Require all workers to carry an ID card on jobsites showing they have taken the required training. General contractors would not be required to take training if they have a certified supervisory person on staff. Every firm would have a supervisory person who was certified and verifies work.
- Perhaps have training for licensed architects and designers on building envelope.

Task Force discussed what agency would be in charge of the following:

- CCB:
  - Building envelop certification, as part of CCB licensing
  - Continuing education requirements
  - Enforcement.
- BCD:
  - Building Code classes.
  - Checklist for permits

Staff was directed to rewrite recommendations based on input from the Task Force. This item is to be reviewed at the December 20, 2006 meeting.

### **III. REVIEW DRAFT REPORT:**

The draft report was reviewed along with the review of proposals.

### **IV. PUBLIC COMMENT:**

No public comment.

### **V. ADJOURNMENT**

Chair Grasberger adjourned the meeting 4:45 p.m.

#### *Exhibits:*

- 1 – Strategy/Schedule for completion (1 page) – *Agenda item I-E*
- 2 – CCTF Agenda/Timeline (1 page) – *Agenda item I-E*
- 3 – Amendments to the building code proposal (6 pages) – *Agenda item II*
- 4 – CCB enforcement & licensing proposal (8 pages) – *Agenda item II*
- 5 – Recovery fund proposal (19 pages) – *Agenda item II*
- 6 – Consumer information proposal (3 pages) – *Agenda item II*
- 7 – Residential permits proposal (5 pages) – *Agenda item II*
- 8 – Building envelope certification proposal (13 pages) – *Agenda item II*
- 9 – General liability coverage proposal (1 page) – *Agenda item II*
- 10 – Voluntary loss control discounts proposal (1 page) – *Agenda item II*
- 11 – Data reporting requirements proposal (1 pages) – *Agenda item II*
- 12 – Draft legislative report (13 pages) – *Agenda item III*