CONNECT 2019 Registration Open

New Harvard Housing Report

South Dakota

Plumbing • Heating • Cooling
Contractors Association

Inside this Issue:
• President’s Message
• Apprenticeship Program
• Nuclear Verdicts
Take advantage of your member benefits with the State and National PHCC!

- Educational seminars and webinars to improve profitability and efficiency
- Apprenticeship programs
- Monthly publications and online updates
- State and national websites
- Intra-Industry representation and lobbyist activity at state and national levels
- Opportunities to network with peers during state and national conventions

605-271-7255
www.sdphcc.org

Not all water heaters are created equal.

Because not all applications are the same.

Unique solutions for every commercial application.
The South Dakota

Pipe Chatter

Official publication of the South Dakota Association of Plumbing-Heating-Cooling Contractors, Inc.

SDAPHCC
707 E 41st St, #220  605-271-7255
Sioux Falls, SD 57105  1-800-640-PHCC (7422)
www.sdphcc.org
Kristie Brunick, Executive Vice President
kristie.phcc@midco.net

Association Officers

• President: Tom Hines, Frisbee Plumbing & Heating - Sioux Falls
• 1st Vice President: Missy Sheesley-Johnson, Action Mechanical Inc - Rapid City
• 2nd Vice President: Ryan Brozik, Winner Plumbing - Winner
• Secretary: Ryan Sheesley, Mitchell Plumbing & Heating - Mitchell
• Treasurer: Andy Bruce, Allied Plumbing & Heating, Inc - Pierre

Zone Directors

1. Brett Kaltvedt, Midwestern Mechanical, Inc - Rapid City
2. Jeremy Seeman, Redlinger Bros Plumbing & Heating - Watertown
3. Dan Hartman, Wolff’s Plumbing & Heating - Spearfish
4. Frank Krohmer, Krohmer Plumbing & Heating - Mitchell
5. Brian Ames, Northwest Pipe Fittings - Rapid City (Sustaining Member)

Upcoming Events

PHCC CONNECT 2019
Oct 2-4, 2019
Indianapolis, IN

SDAPHCC Convention
February 27-28, 2020
Deadwood, SD

The South Dakota Pipe Chatter is published monthly and is the official publication of the South Dakota Association of Plumbing-Heating-Cooling Contractors, Inc only insofar as notices, bulletins, and reports are concerned. Editorial and personalized new stories reflect the opinion of the writers and not that of SDAPHCC. Neither SDAPHCC nor this magazine accepts responsibility for statements or claims made for their products by advertisers.
Discover

→ Superior comfort
→ Energy savings
→ Design flexibility

Indoor & Outdoor Infloor radiant heating solutions.

G & R Controls
Proudly Represents

Sioux Falls • Rapid City • Fargo • Bismarck
grcontrolsinc.com | 605.336.3788
President’s Message

In last month’s Pipe Chatter, there was a story taken from the National PHCC news that talked about a recent situation in the state of Texas regarding plumbing licensing. Those of you that read it must have felt much like I did. It was hard to believe and it pissed me off. For those that didn’t see it, I’m not going into all the details, mostly because I don’t totally understand them all.

In short, the Texas State Legislators were voting on a measure that would move the Texas State Board of Pluming Examiners (TSBPE) from their stand alone agency and put them under the Texas Department of Licensing and Regulation (TDLR).

There was a lot of debate on both sides of the issue. The Texas PHCC maintained that the TDLR was already overburdened and ill equipped to take on the responsibility of licensing and regulating the plumbers in the state.

The debate over what to do with the TSBPE’s ended with the legislative actions on May 26, 2019. Rather than moving the TSBPE’s under the oversite of the TDLR, the legislature eliminated the Texas State Board of Plumbing Examiners, effective September 1, 2019, and ultimately ended statewide regulations for plumbing.

Had Texas Governor Gregg Abbott not intervened by signing an executive order that extended the TSBPE’s authority for another 2 years, the responsibility of issuing plumbing licenses and regulating the industry would have fallen to the state’s local governments and municipalities. Meaning that every city and town in Texas would have the ability to develop their own rules, regulations, licensing requirements, and fees. That’s assuming they even want to take that responsibility on.

Could you imagine if every town in South Dakota had their own rules and regulations with each one differing greatly from the other? Texas Plumbers have two years to get legislators behind them to make sure they have the support to stop this from actually happening.

What is frightening is that PHCC says that the events in Texas are part of a broader pattern of attack on licensing for professional trades that has been playing out in states across the country. States have had mixed results in pushing back against the efforts by governors, legislators, and regulatory agencies to remove licensing requirements and allow any lay person to do plumbing work.

We have a responsibility to make sure that our legislators understand the importance of having strong standards in place to ensure that competent plumbing and HVAC professionals are maintaining the integrity of potable water systems, sanitary drainage systems, medical gas systems, and heating & cooling systems which protect the health and safety of our nation and the environment. We must be engaged in our state government to stay aware of changes that may be developing and fight back against any efforts to relax or eliminate licensing laws.

National PHCC even mentioned South Dakota in their story by referring to recent legislative actions that relaxed our regulations to allow home owners to plumb their own new construction houses. That defeat may have been a pretty small one, but it shows that uneducated legislators can make decisions that could drastically affect our industry.

It is critical for PHCC members across the country to inform state policy makers that cutting corners to save money has catastrophic consequences reaching far beyond a couple leaking pipes.

-Tom Hines, SDAPHCC 2019 President
Our products are built for you, the professional, with:

- **Cutting-Edge Innovation.** We’re constantly improving our products and developing new products for outstanding performance and better efficiency.

- **Designed for the Pro.** We listen to your feedback from the field so we design our products for easier installation and maintenance to save you time and effort.

- **The Support of our Team.** We always have your back. We load up our exclusive For The Pro® website with tons of resources to help you. We’re growing our US-based workforce to serve you even better, and expanding our manufacturing plants to deliver products faster than ever.

At Bradford White, we believe our products deserve a skilled, professional installation. Our business is being here for your business.

**We are proudly built For the Pro®.**

See more at our website dedicated to the Pro

bwforthepr.com
Nuclear Verdicts - A Rapidly Growing Trend

By Michael Copp, Executive Vice President

During a PHCC Risk Management and Safety Committee meeting I attended in June at Federated Insurance, Federated executives reminded the committee about the dangers and risk to a contractor’s business related to cellphone use and distracted driving.


It is likely that more states will follow Washington’s lead as this epidemic grows. And now the litigious environment is getting more frightening as a trend toward nuclear verdicts—a verdict in excess of $10 million (or is considerably high as compared to the injuries and damages) continues to grow.

We were told that there are now investment firms who will pay an accident victim directly and subsequently hire a legal team to litigate that case to retrieve a much higher sum to increase the return of their shareholder’s original investment. This is especially true with accidents involving vehicles and distracted driving, which contribute not only to higher insurance premiums but also these mega verdicts.

A New York personal injury firm, for example, advertises online “select case results for clients injured by commercial vehicles include a $9,950,000 settlement for a social worker who was hit by a commercial van in a parking lot in Buffalo, New York.” If a contractor carries $2 million in an aggregate General Liability policy, the potential financial exposure can be devastating to a business.

The National Safety Council reports that “New technology in vehicles is causing us to become more distracted behind the wheel than ever before. Fifty-three percent of drivers believe if manufacturers put “infotainment” dashboards and hands-free technology in vehicles, they must be safe. And, with some state laws focusing on handheld bans, many drivers honestly believe they are making the safe choice by using a hands-free device. But in fact, these technologies distract our brains even long after you’ve used them.” (Retrieved from the World Wide Web on July 8, 2019 at https://www.nsc.org/road-safety/safety-topics/distracted-driving).

A car travels 81 feet per second at 55 miles per hour and can stop in about 200 feet in an emergency. At the same speed, a commercial truck/trailer can stop in about 300 feet, which is the length of a football field, so any distraction for any amount of time can be deadly to everyone on the road.

Driving under the influence, including the use of electronics, must be a serious discussion that should take place regularly during your Safety Meetings. Employees must understand the grave danger they put themselves, the general public and their employer in when they elect to use mobile devices and/or are distracted while driving. Ultimately, your company policy should seriously consider a complete ban on mobile device use when employees operate a company vehicle. There are multiple resources from Federated Insurance, our Corporate Partner, that PHCC contractors can use to spread the message about avoiding technology use while driving as well as developing a cellphone policy using free materials from the NSC.

The Joint Center for Housing Studies released its 2019 State of the Nation’s Housing report

CAMBRIDGE, MA – With the nation’s economy on sound footing and incomes on the rise, the number of people forming households in the United States has finally returned to a more normal pace. Housing production, however, has not. The 2019 State of the Nation’s Housing report from the Harvard Joint Center for Housing Studies documents how the housing shortfall is keeping pressure on house prices and rents, eroding affordability for modest-income households in many markets.

The report was released June 25 at the Federal Reserve Bank of Atlanta. Center researchers found that household growth is now back from post-recession lows, but new home construction remains depressed, with additions to supply barely keeping pace with the number of new households. Several factors may be contributing to the slow construction recovery, including excess supply following the housing boom, which took years to absorb, and persistent labor shortages.

“The most significant factors, however, are rising land prices and regulatory constraints on development,” says Chris Herbert, managing director of the Joint Center for Housing Studies. “These constraints, largely imposed at the local level, raise costs and limit the number of homes that can be built in places where demand is highest.”

Meanwhile, a large percentage of new housing being built is intended primarily for the higher end of the market, Herbert states. The limited supply of smaller, more affordable homes in the face of rising demand suggests that the rising land costs and the difficult development environment make it unprofitable to build for the middle market.

The report also finds that the number of homeowners rose sharply, even as the ratio of median home price to median household income rose from a low of 3.3 in 2011 to 4.1 in 2018, a sign of deteriorating affordability. But conditions for would-be buyers vary widely across the country, with home values more than five times greater than incomes in roughly one in seven metro areas (primarily on the West Coast) compared with less than three times in about one in three metros (primarily in the Midwest and South).

On the renter side, the number of renter households fell for the second consecutive year in 2018, a stark contrast to the increases of the 12 preceding years. Nevertheless, rents are rising at twice the rate of overall inflation. “The growing presence of higher-income renters has helped keep rental markets stable,” says Daniel McCue, a senior research associate at the Center. “This has maintained demand for new apartments, even as overall rental demand has waned.” At the lower end of the market, though, the number of units renting for under $800 fell by one million in 2017, bringing the total loss from 2011–2017 to four million.

Even as the market continues to lose lower-cost rental units, the share of US households paying more than 30 percent of their income for housing declined for the seventh straight year in 2017. Much of the progress was
among homeowners, though, whose cost-burden rate declined to its lowest level this century. Cost burden rates for modest-income renter households, however, continue to rise and with burdens affecting households higher up the income scale, the issue of rental affordability is increasingly getting attention at the state and local level.

Looking forward, the report authors predict that millennials and baby boomers will continue to push household growth, spurring demand in the remodeling market and the demand for entry-level homes. Rental growth is expected to be solid as well, with 400,000 additional renter households per year expected between 2018 and 2028. Whether these projections come to pass depends on a number of factors, including economic conditions, housing affordability, and the pace of foreign immigration.

One big question mark is whether the market can supply housing that is within reach of most household incomes. “To ensure that the market can produce homes that meet the diverse needs of the growing US population, the public, private, and nonprofit sectors must address constraints on the development process,” says Herbert. “And for the millions of families and individuals who struggle to find housing that fits their budget, public efforts will be necessary to close the gap between what they can afford and the cost of producing decent housing.”

The full report can be found and downloaded at the following website: https://www.jchs.harvard.edu

Principal funding for this report was provided by the Policy Advisory Board of the Joint Center for Housing Studies. Additional support was provided by AARP Foundation, Federal Home Loan Banks, Habitat for Humanity International, Housing Assistance Council, LeadingAge, MBA’s Research Institute for Housing America, National Apartment Association, National Association of Home Builders, National Association of Housing and Redevelopment Officials (NAHRO), National Association of REALTORS®, National Council of State Housing Agencies, National Housing Conference, National Housing Endowment, National League of Cities, National Low Income Housing Coalition, National Multifamily Housing Council, and NeighborWorks America.
Make Plans to Attend CONNECT 2019

PHCC National Association’s annual conference, CONNECT 2019, is scheduled for October 2-4 in Indianapolis, IN. Registration is open and now is the time to make plans to attend.

Schedule
- Tuesday, October 1 - Industry Tours
- Wednesday, October 2 - Education Sessions, Apprentice Contest, Opening Reception
- Thursday, October 3 - Education Sessions, Apprentice Contest, Product & Technology Showcase
- Friday, October 4 - Education Sessions, Annual Business Meeting, Awards Luncheon and closing activity at the Speedway in the evening

Indianapolis, The Westin, and The Indiana Convention Center
Not only does Indianapolis host the famous Indy 500, it is also a city filled with great food, culture, music, convenience and hospitality.

 Located in the heart of downtown, The Westin Indianapolis is surrounded by the city’s attractions and connected by skywalk to the Circle Centre Mall. PHCC preferred rates ($199) will be available until September 8, 2019. To make your reservation, visit phccweb.org/connect or call 800-228-3000 and ask for “PHCC” rate.

The Indiana Convention Center is easily accessible via skywalk to the Westin Indianapolis. In addition, it is also joined via skywalk to Lucas Oli Stadium, the home of the NFL’s Indianapolis Colts.

Keynote Speakers
- As the plumbing & heating expert from the home improvement show “This Old House”, Richard Trethewey will reveal his tricks for “talking tech” in what many consider a “non-tech world”.
- Economist Connor Lokar returns to share the trends that will drive the future and provide a methodology that companies can use to take advantage of today’s economic environment.

Targeted Education Sessions
Industry experts will share information on a variety of topics including:
- Multigenerational Management: The Ins and Outs of Managing 4 Generations in the Workplace
- Why Does Price Win 66% of the Time?
- Safeguard Your Business from Employee Theft
- Preparing for the Refrigerants of the Future: Regulations and Innovations
- How to Keep Your Techs ‘Tech Savvy’ and Improve Your Bottom Line
- How Government Regulations Impact HVAC and Plumbing Contractors
- Screening, Hiring and Retaining the Best Employees
- Legionella: It’s More Than Just a Bacteria—UAC Showcase Seminar
- Creating an Innovation Culture
- Succession Planning - UAC Showcase Seminar
- What You Need to Know to Value and Sell Your Business
- Why Should I Work for You? The Myth of Our Industry’s Manpower and Talent Shortage

Plus...For the first time, attendees will receive a recorded recap of the sessions to review at home.
Product & Technology Showcase
The Product & Technology Showcase gives attendees the opportunity to meet with and learn from a variety of leading industry partners. Attendees can check out the latest in product and service solutions.

Two Industry Tours on Tuesday, October 1
- The Delta Design Center Tour offers an interactive at their global headquarters in Indianapolis. Attendees will experience the research and development practices behind Delta products and leave with a richer knowledge of the company.
- The Chemours Support Center Tour & Training Session features educational sessions facilitated by Chemors’ Commercial Aftermarket Professional, Jamey Hales, CMS. This class is NATE CEH eligible.

PHCC Installation & Closing Event at the Indy 500 Speedway
The final convention event provides to be fun and exciting. Attendees can experience the following:
- Welcome the new PHCC leadership for the 2019/2020 year
- Roam the floors of the famous Pagoda
- Enjoy famous cocktails and local food
- Have fun with the Milwaukee Tool Shed Band
- Take a lap around the infamous 2 1/2 mile track

TO REGISTER - Visit phccweb.org/connect or call 800-533-7694

PHCCCONNECT2019
OCTOBER 2-4 | THE WESTIN INDIANAPOLIS AND INDIANA CONVENTION CENTER

Fuel your business at PHCCCONNECT2019:
- Conference recordings included with registration
- RSES is back again, co-locating with the 2019 RSES Conference & HVACR Technology Expo
- RPA joins us again to host a new education track
- Industry tours from leading companies
- Plumbing & HVAC apprentice contest
- Service Contractors Central (Powered by QSC)

KEYNOTE SPEAKERS:
Connor Lokar
Economist at ITR Economics
Back by popular demand!
Richard Trethewey
Founder and Owner of RST Inc.
Featured on PBS series, “This Old House”

REGISTER TODAY at phccweb.org/connect or call 800-533-7694

Co-located with
2019 RSES CONFERENCE & HVACR TECHNOLOGY EXPO
Insert Federated Insurance Article—Mobile Device Distraction is Not Just a Road Problem
DON’T DRIVE TIRED.

Your poor driving decisions could keep you and your employees from making it home S.A.F.E. today.

Visit federatedinsurance.com for online tools and resources.

Please make it home safe today.

Federated Mutual Insurance Company and its subsidiaries*
Federated Insurance Risk Management Academy

By Staff Writer, PHCC-National Association

Federated Insurance is offering complimentary risk management training for Plumbing-Heating-Cooling Contractors-National Association members on October 15-17, 2019. Through this valuable session, you will discover methods you can use immediately to help protect profits by reducing risk at your business.

Companies that are the most successful at controlling losses and protecting profits have integrated risk management into their overall company culture. Many have designated a key person as their risk manager. This person is supported by your company’s top management and is both responsible and accountable for identifying loss exposures and implementing risk management solutions.

This seminar’s objective is to help your risk manager learn the exposures specific to the contractor industry, connect with peers from across the country and apply these best practices within your business.

“Attending this training is one of the best investments you can make to help protect your business and its bottom line!” 2017 RMA Attendee

To reserve your spot in the upcoming session or for more information, please contact Royetta Spurgeon at rlspurgeon@fedins.com or (800) 533-0472 Ext. 455-5604. Or, visit Federated’s website.

There is no cost to PHCC members to attend this training but they are responsible for their own transportation and hotel.

SAVE THE DATE!

Make plans to attend the SDAPHCC Annual State Convention

February 27 & 28, 2020

The Lodge at Deadwood

Continuing Education - Informative Speakers - Networking - Fun

Congratulations to Tessier’s Inc. on the celebration of their 100 Year Anniversary!

Tessier Sheet Metal Works was started in 1919 by Roy Tessier in Mitchell, SD.

Today, Tessier’s Inc. is a mechanical contractor and sheet metal fabrication company providing heating, ventilating, air conditioning, and environmental control services from their offices in Mitchell, Sioux Falls, Rapid City, Brookings and Sioux City.
ESTIMATING TOOL GIVES YOU INSTANT ACCESS ANYWHERE!

Simplify your estimating process, prepare accurate bids, and become more efficient and profitable.

PHCC has partnered with Harrison Publishing House’s CINX platform to provide a comprehensive plumbing and piping database for accurate, in-depth material pricing to create your own pricing workbook.

- More than 13,000 national average installation times for plumbing contractors
- Cloud-based—Anywhere, Anytime
- Third-party verification of labor hours

Cross-platform compatible data with a growing list of software vendors.

ORDER THE PHCC LABOR UNIT DATABASE TODAY

The PHCC Labor Unit Database is exclusively available through the PHCC Online Store (www.phccweb.org) either as a standalone product through CINX or as an add-on with several estimating software platforms.

Contact customercare@naphcc.org for purchasing questions.
VITODENS 200-W

Equipped with the industry’s first intelligent combustion management system and powerful control technology, the new generation Vitodens 200-W gas-fired wall-mount condensing boiler delivers unparalleled performance, reliability and comfort.

Highest Efficiency of up to 98% at full modulation and up to 96.1% A.F.U.E.
PHCC Signs the Pledge to America’s Workers

By Staff Writer, PHCC-National Association

PHCC is thrilled about our commitment to train 75,000 people over the next five years through our plumbing and HVAC apprenticeship programs by signing the Pledge to America’s Workers, a Trump Administration initiative to motivate companies and trade groups to strengthen the economy and prepare the next generation of workers for careers in lucrative, high-demand fields.

PHCC joins more than 200 companies and organizations that have signed the pledge to commit a combined 9.9 million new opportunities for American students and workers over the next five years.

PHCC stands ready to direct the resources necessary to ensure the next generation of p-h-c professionals have the knowledge and skills for a successful, rewarding career in our industry!
SDAPHCC Apprentice Program

The SDAPHCC offers members the opportunity to enroll their employees in its apprentice program. The SDAPHCC provides the curriculum and administers the program, while the member provides on-the-job training. In addition, the program has been approved by the Federal Department of Labor.

PROGRAM FEATURES

- Four year program composed of educational instruction and 8,000 hours of on-the-job training
- Apprenticeships available in plumbing, HVAC, and sheet metal
- Approved by the Federal Bureau of Apprenticeship Training
- Approved for Post 9/11 Veteran’s Education Benefits

SERVICES PROVIDED BY SDAPHCC

- Meet with the apprentice to explain the program and enroll them
- Provide curriculum and grade completed tests
- Manage all federal, state, and local registrations
- Monitor and communicate apprentice progress
- Award Certificate of Completion
- Notify federal, state, and local agencies of completion
- Provide Davis-Bacon verification if requested

PROGRAM COSTS

$150.00 - One time enrollment fee per apprentice
Plus $22.40 monthly fee per apprentice

HOW TO ENROLL YOUR EMPLOYEE

Contact Kristie Brunick at the SDAPHCC to begin the enrollment process.
Phone: 1-800-640-7422 Email: kristie.phcc@midco.net

NEW BENEFIT FOR APPRENTICES

Apprentices can now take advantage of a special membership offered by NAPHCC. This free membership connects apprentices with an online community and news publications.

HOW THE PROGRAM WORKS

The apprentice studies the curriculum and completes the tests at his/her own pace. Completed tests are submitted to the SDAPHCC office to be graded.

Once the tests are graded, they are returned to the apprentice along with a letter detailing the apprentice’s performance and overall progress. A copy of this letter is also sent to the employer.

This continues until the apprentice has completed the curriculum book.

The studying and testing are performed in conjunction with the required 8,000 hours (approximately 4 years) of on-the-job training provided by the employer. Apprentices may receive credit for work experience earned prior to enrollment.

As the apprentice nears completion, he/she may begin studying the Uniform Plumbing Code book in preparation for the journeyman’s test. This book, along with a study guide, may be purchased from the SD Plumbing Commission (605-773-3429).
Viega was the first to offer press joining systems in North America, the first to offer a proven method to verify secure connections and the first to offer the same time-saving press technology in multiple materials. Viega ProPress systems have been imitated by other manufacturers but no one else can provide the same standard of performance. Viega. Connected in quality.
Whole-House Ventilation

Inside air can be up to 10 times more polluted than the air outside. To combat the issue of poor ventilation, many studies and building science experts indicate that today’s homes need balanced ventilation throughout the day to maintain a healthy indoor environment. Ask your DSG Sales Rep for details.

Aberdeen  |  Mitchell  |  Pierre  |  Rapid City  |  Sioux Falls

dakotasupplygroup.com