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Winter 2013 | Stephen P. Sands, Registrar | Edmund G. Brown Jr., Governor

Chair's Message

'Tis the season to have heating, ventilating, and air-conditioning (HVAC) needs on our minds—especially with California's recent cold snaps. One reason that HVAC is the focus of CSLB review is because the majority of installations are performed without the required permit; an estimated 400,000 units were sold in California in 2012 and only 10 percent of those received the necessary building department permits.

As you know, building permits assure that state and local safety and building code standards are met. For HVAC equipment change-outs, permits also are vital to ensure quality and energy efficiency standards through mandated inspections by Home Energy Rating System (HERS) technicians. The California Energy Commission estimates that an HVAC system installed in compliance with Title 24 energy efficiency standards will return more than \$6,200 in energy savings over 30 years.

To help the HVAC industry carry out best practices in business and trade standards, including permits, insurance, and energy efficiency standard compliance, CSLB and the Santa Clara County District Attorney's office will conduct a 2014 pilot program to identify HVAC contractors who are out of compliance with permitting and workers' compensation insurance regulations. The California Energy Commission will help by providing CalCERTS inspectors who will report non-compliance issues; CSLB and Santa Clara County, in turn, will hold HVAC contractors accountable for code requirements at their expense.

Identifying these individuals and companies – and making them accountable – is the first step toward bringing permit compliance rates up, assuring energy standards are being met, and that employee insurance is in place.

Another HVAC issue that consumers and industry small business owners have brought to light is the competition from service and repair companies that advertise low prices,



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but up-sell or make unnecessary repairs and give legitimate licensees a bad name. CSLB will not accept illegal or unethical business practices and neither should you. In recent years, CSLB has taken action against numerous unscrupulous operators, including more than a dozen people who engaged in a large-scale HVAC service and repair operation that scammed thousands of people out of millions of dollars in southern California. These criminals were convicted on 71 felony counts, had their assets frozen, were found to have violated dozens of state income tax laws, and must make restitution to their victims. If you're ever aware of illegal or unethical activity, you can anonymously tell CSLB by submitting a [complaint form](#) for work or [building permit violations](#); both are available on our website.

CSLB will continue to team with trade industries to make sure construction businesses are operating fairly and within state contracting laws.

Veterans Application Assistance Program at Work

"I remember when I came home from Vietnam. It was not an easy thing to do...integrating back into civilian life. Today, it is still rough on veterans coming home. As an employer, it is rewarding to hire and work with returning military veterans."

Owner Mark Steiner, of M.A. Steiner Construction, based in Orangevale, is one of the first construction companies to take advantage of CSLB's [Veterans Application Assistance Program \(VAAP\)](#), which offers priority service to veteran applicants by evaluating transferable military experience, training, and education.

Licensed since 1989, [M. A. Steiner Construction](#) (556838) focuses on large federal and state projects. To better serve customers, Steiner used VAAP to add two new



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classifications – [C-10 Electrical](#), and [C-31 Construction Zone Traffic Control](#) - to his existing [“A” General Engineering](#) and [“B” General Building](#) classifications.

“I felt that by adding the additional classifications, we could be more competitive,” Steiner said. “Our company can now offer our customers a more streamlined process by being able to take care of the electrical wiring and traffic control ourselves without having to sub it out.”

M. A. Steiner Construction employs about 65 people. Steiner says he searches for, and hires the most qualified people he can find. “Vets are loyal, and they are reliable,” he says. “The men and women coming out of the military often have some leadership training.”

Steiner is a retired Army Ranger who served at the end of the Vietnam War era. He became a paratrooper with the famed [82nd Airborne Division](#), and served as a member of the Marksmanship Training Unit of the [7th Infantry Division](#). “I enlisted in the Army in 1974. In fact, I was in basic training in April 1975 when Saigon fell,” Steiner says.

CSLB’s Licensing division receives about five inquiries each week from former service members interested in VAAP. Most applicants are interested in becoming licensed contractors for the first time; many inquiries, however, come from veterans who are still in the military and are planning ahead for their civilian life.

More information about CSLB’s Veterans Application Assistance Program is available at cslb@ca.gov or by calling 800.321.CSLB.



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New 2014 Laws May Affect Your Business

The New Year rings in a host of new laws that impact licensed contractors. Following is a summary of major changes to contractor laws, effective January 1, 2014.

Fraudulent Use of License – CSLB can now take administrative action against any licensed or unlicensed contractor who commits violations related to the fraudulent use of a contractor license. Senate Bill 261 added Section 7114.2 to the Business and Professions Code (B&P Code).

Qualifiers – CSLB is now able to discipline a qualifier and the licensed entity they are qualifying when the qualifier is not actively involved in the construction activities of the license they are representing. In addition to administrative penalties, the individual falsely serving as a qualifier on the license can be charged with a misdemeanor, and be sentenced to serve up to six months in jail, and pay a fine from \$3,000-\$5,000, or both, if convicted. SB 262 amended Section 7068.1 of the B&P Code.

Incomplete License Renewals – This new law, created by SB 822, gives a break to CSLB licensees who submit an incomplete renewal application on or before the license expiration date. The application will be sent back by CSLB with an explanation, and the applicant will now have 30 days to correct and resubmit the renewal without a renewal delinquency fee.

Fire Protection Systems – Licensed C-36 Plumbing contractors now will be allowed to install residential fire protection systems for one- or two-family homes. The law created by AB 433 will stay in effect until January 1, 2017.

Excavations – Regional Notification Centers will be required, through AB 811, to compile information provided by operators and excavators regarding facility incidents and make that information available in annual reports and on their websites.



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Limited Liability Companies – Contractors licensed as a limited liability company (LLC) will be allowed to obtain statutorily required liability insurance from a surplus line insurer. AB 1236 amended B&P Code section 7071.19.

Bidding Practices – Contractors making public works project bids or offers must list each subcontractor license number on those documents. AB 44 amended Section 4104 of the Public Contract Code.

Public-Private Partnership Agreements – Local governments' public-private partnership agreements for fee-producing infrastructure projects must include performance bonds and payment bonds. AB 164 amended Section 5956.6 of the Government Code.

Prevailing Wage Law – Charter cities that don't require contractors to comply with the state's prevailing wage law on any public works contract cannot receive nor use state funding or state assistance for those construction projects. SB 7 added Section 1782 to the Labor Code.

Water-Conserving Devices – Permit applicants for all building alterations or improvements to single-family residential real estate must replace all non-water-conserving plumbing fixtures with water-saving fixtures as a condition of receiving final permit approval from a local building department. Also, SB 407 requires that all noncompliant plumbing fixtures in any multifamily residential real property and commercial residential real property must be replaced with water-saving fixtures when specified renovations are made.



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To protect the integrity of the construction industry and its law-abiding professionals, CSLB's Enforcement division – with the help of partnering state agencies and local law enforcement – works hard to hold accountable those contractors who harm consumers through illegal business practices. Below are a couple of recent cases pursued by CSLB.

High Cost for Helping Unlicensed Son

The perils of allowing family members to use your valid CSLB license should be obvious. Yet, two cases that CSLB is pursuing demonstrate that this illegal activity still is being practiced and results in legal action and fines against the license.

After a Corona homeowner complained, a CSLB investigator discovered that the licensed owner of JM Pools helped his unlicensed son, Jeremiah Mansfield, land a pool contract for \$38,500. The junior Mansfield (assisted by another licensed contractor who served as a subcontractor overseeing the project) made several demands to be paid ahead of schedule, racked up a list of correction notices from the county building inspector, and only occasionally showed up at the site.

When the fed-up homeowner discovered that the license was issued to Mansfield's father, doing business as JM Pools, and that his son was unlicensed, he terminated the contract and barred Mansfield from the property. At that time, \$31,550 toward the contract price for the pool and amenities already had been paid.

A CSLB industry expert determined that most of Mansfield's work was substandard, and needed to be demolished and replaced at an estimated cost of \$43,510.

During interviews with CSLB's investigator, the licensed owner of JM Pools acknowledged that he helped his son prepare the project bid, pulled permits on behalf of his unlicensed son, and also claimed it was the first pool they had ever built.



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CSLB is pursuing a formal accusation against the father, alleging he violated Business & Professions Code § 7114 by aiding and abetting an unlicensed person and evading contracting law. CSLB is recommending that the Riverside County District Attorney's Office file criminal charges against his son, Jeremiah Mansfield, for contracting without a license (B&P Code § 7028) and fraudulent use of an incorrect license number (B&P Code § 7027.3). Mansfield's subcontractor friend who worked on the project also faces sanctions for entering into a contract with an unlicensed contractor (B&P Code § 7118).

Business Ties with Revoked Contractor Risky, Even with a Spouse

Dean Wallie Dominguez lost his contractor license in 2002, and served state prison time after a subsequent conviction for illegal contracting in 2006. Despite this, in 2010, he represented himself as the owner of MJ Maness to land a \$153,000 contract to renovate a San Francisco fitness center. The problem: the license belonged to his wife, Mollie Jean Maness, doing business as MJ Maness.

When the property owners questioned the progress and quality of what had been done, and refused to advance additional funds to Dominguez, the project was abandoned after more than \$110,000 had been paid. According to a CSLB investigation, Dominguez oversaw and performed all of the project work and his licensee wife's role was doing paperwork.

As a result, Maness could lose her license through the accusation process for associating with a revoked contractor. CSLB also referred the case to the San Francisco District Attorney's Office for the possible filing of criminal charges against Maness for perjury and employing a revoked contractor (B&P Code section 7121.7), and against Dominguez for contracting without a license.



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Experience Verification Workshop Conducted for Applicants, Licensing Schools

A special workshop to clarify the experience verification process that is used to confirm a license applicant's journey-level work was conducted by CSLB Licensing division staff at the Sacramento headquarters office on December 4, 2013.

Some two dozen people attended the seminar while more than 80 others watched a live web stream and were able to submit questions via email. The two-and-a-half hour session reviewed acceptable types of experience and the most efficient ways to document work before submitting a license application.

A video of the entire presentation is available on CSLB's website at

<http://www.youtube.com/watch?v=SkQtGaEGF8g&feature=youtu.be>.

CMEA Builds Foundation for Industry Future

Two teams of California State University, Sacramento's (CSUS) [Department of Construction Management](#) students won major national competitions over much larger universities and captured the 2013 national design-build student competition in Las Vegas, sponsored by the Design-Build Institute of America. The team's 38-page written response to a request for qualifications (RFQ) and request for proposal (RFP) for a college residence hall was judged as the best among 40 student teams from around the country.

The victory followed on the heels of a big win in Chicago at the 2013 Associated Schools of Construction inaugural Healthcare Preconstruction Competition. The Sacramento



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State team out-performed schools with larger programs, like Purdue University and Auburn University.

“This was a test and proves we are a school of national prominence,” said Justin Reginato, a professor in CSUS Construction Management Department following the competition. “We want to be the best construction management school in the United States.”

Student Neil Devlin, a spring 2014 graduation candidate and member of the team that won the Las Vegas design-build, said the competition was good exposure and demonstrated that Sacramento State’s team has the qualities that employers are looking for, like working effectively in a stressful situation. “We take the initiative ourselves and put as much dedication into it as possible,” he said.

“It was an interesting experience,” added Kim Braga, speaking about the Chicago competition that required her team to turn in construction plans under a tight deadline. “It was challenging, but it made it that much better when we got first place.”

Braga graduates this month. She is among a growing number of women who have enrolled in the CSUS Construction Management program. Of the 200 students taking classes in this major last semester, about 10 percent are female.

Although the Construction Management program was granted full department status in 2012, it has existed for 40 years as part of the College of Engineering and Computer Sciences, and is one of the oldest of its kind in the California university system.

Graduates earn a Bachelor of Science degree in construction management, and also must earn enough credits to qualify for a minor in Business Administration – one of the few state university programs with that requirement.



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“Giving students practical business skills to complement courses in engineering and construction is critical to their development as construction professionals,” said Professor Mikael Anderson, chair of CSUS’s Construction Management Department. “We’re teaching them engineering and management skills so they can hit the ground running,” he added.

In addition to overseeing the department, Anderson is a registered civil engineer who holds a “B” General Building contractor license. He came to the university in 2003 after careers in the private and public sector.

As proud as he is of his students’ recent accomplishments, Anderson also points to the ultimate measure of their success – a 100 percent job placement rate upon graduation. Last spring, 32 graduates had job offers in hand, as did the 2012 crop of Construction Management graduates.

There are 45 graduation candidates in the Class of 2014 who already are receiving job offers – and frequently more than one, according to Anderson.

The program’s alumni have played a major role in high-profile construction projects around Northern California, including the construction of Levi’s Stadium in Santa Clara, which will be the new home of the San Francisco 49ers; the new B terminal at Sacramento International Airport; and a large Sutter Health medical complex in Sacramento.

“It’s invaluable to have the help of industry leaders in the area, as well as aid from CSLB’s Construction Management Education Account,” Anderson said.

Thanks to existing donations from contractors and a reserve fund, CSLB has distributed about \$150,000 each year to state universities since fiscal year 2008-09. Five schools offering construction management majors received money in 2012-13, with California State University, Chico, topping the list at almost \$58,000.



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The annual grants are based on the number of graduates and job placement rates at each school. Sacramento State, one of the smaller programs by number, received \$8,695 this year.

Anderson says the grant is much appreciated and goes toward instructional support, such as classroom materials and equipment, and developing and updating curriculum. The funds also have helped keep faculty current in their respective disciplines through continuing education workshops, conferences, and training.

Construction Management Education Fund Needs Your Support

The [Construction Management Education Account](#) (CMEA) that generously has been funded by contractor donations for decades is in a serious decline; donations dropped off sharply during California's economic downturn and may be depleted by the 2014-15 fiscal year. CMEA is in need of a financial infusion to maintain this important fund, which helps students pursue their dreams of working as construction industry managers. Now that the state economy and construction industry are improving, CSLB is hopeful that licensees will help replenish CMEA.

It's easy to make a donation. There's a space to include your voluntary CMEA contribution on the [form](#) when applying or reapplying for a contractor license. Any amount is appreciated.

CMEA was created by the Legislature in 1991. It operates under an advisory committee of 11 representatives from professional contractor associations that makes award recommendations to CSLB each year. Universities can use the money for instructional materials and support equipment, curriculum development, outreach, continuing education, faculty or other expenses. CSLB is responsible for the program's administration and annually reports the activity to the Legislature.



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Lend Your Expertise to Licensing Exam Reviews, Updates

CSLB's Testing division will be recruiting Subject Matter Experts (SMEs) in certain classifications for 2014 to make sure license examinations are up-to-date and relevant for each of CSLB's 43 classifications and two certifications.

CSLB encourages experienced licensees in the following classifications to apply: [C-6](#) Cabinet, Millwork and Finish Carpentry, [C-11](#) Elevator, [C-15](#) Flooring and Floor Covering, [C-20](#) Warm-Air Heating, Ventilating and Air-Conditioning, [C-23](#) Ornamental Metal, [C-36](#) Plumbing, [C-43](#) Sheet Metal, and [C-51](#) Structural Steel.

To participate as a SME, you must be the qualifier for the license and the license must be in good standing. SMEs are paid \$150 per day and reimbursement is provided for approved travel expenses. CSLB maintains a SME database for each license classification. Qualified licensees who wish to be entered into the database should contact CSLB's Testing division through the recruitment line: 916.255.3221.

"B" General Building contractors are not needed to serve at this time.

SMEs contribute to CSLB's examination development process through a series of workshops at the Sacramento headquarters office where they team with CSLB Testing division staff to identify critical job activities in a given trade and practical knowledge that licensees must have to perform competently.

Once that information is collected, Testing staff mails or emails an occupational analysis questionnaire to a large sample of contractors in that classification. Contractors are asked to rate how often they perform various trade activities and the importance of different types of trade knowledge as well as building codes, estimating, and interpreting blueprints. Questionnaire data helps determine the scope of the trade examination.



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Activities that are performed more frequently, and knowledge that is rated more important, receive more weight on the examination.

Once new examination content is gathered, Testing staff and SMEs review and revise existing examination questions. Finally, SMEs attend a three-day workshop to help determine the passing score for the new questions.

By law, contractor license examinations must be kept current to reflect changing industry technology and techniques. CSLB performs a new occupational analysis about every five years for each of its license examinations. This yields about nine updated tests each year. The entire examination development process takes close to a year of diligent work.

Angry about Unlicensed Competition? There's a Form for That.

CSLB has a new way to report illegal advertising activity to help level the playing field for licensees. An Advertising Complaint form now is available on the CSLB website to report unlicensed operators who illegally list their services on the Internet or in publications, in defiance of state contracting law.

Licensed contractors must include their CSLB license number in all forms of advertising. Those without a license can advertise as long as the ad states that they are not a state-licensed contractor, and the combined total of a project's labor and materials costs is \$500 and under (Business and Professions Code section 7027.1).

However, many unlicensed operators are flouting the law by soliciting for projects that can far exceed the \$500, such as kitchen or bathroom remodels, tree services, or painting. They often find a ready market for those services on various Internet sites and bulletin boards, where minimal oversight exists to weed out unscrupulous operators.



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Licensed contractors who encounter an ad they think was placed by an unlicensed operator can go to a [link](#) on the CSLB website. The reporting service also is open to consumers.

While some complaints may not contain sufficient evidence for CSLB to take disciplinary action, the information is still important and may be used for future enforcement actions.

Anyone who files a complaint can remain anonymous. Download and print the online [PDF form](#), specify the source of the ad, and attach a copy that shows the ad publication date. The form must be mailed to either CSLB's Sacramento headquarters or the Norwalk Intake & Mediation Center. Instructions about which office to mail the information to are included on the form.

Public Works Unit Expands to Ensure Contract Compliance

Staff has been added to CSLB's Public Works Unit to ensure that contractors who bid on or participate in public works projects aren't dragging past violations into a new, publically financed work setting.

The Unit's Enforcement Representatives each focus on specific state regions. The larger team is working with awarding agencies to prequalify project bidders, disclose public works violations imposed by other state agencies on CSLB's website, and identify those who have committed serious offenses potentially subject to CSLB disciplinary action.

The Public Works Unit is focusing on:

Civil Wage and Penalty Assessments – These judgments can be imposed against a prime contractor and subcontractor for nonpayment of employee prevailing wages,



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overtime, travel, etc. by the state [Department of Industrial Relations' Division of Labor Standards Enforcement](#) (DLSE). CSLB has the power to suspend contractor licenses to compel payment, although some prime contractors work in good faith with DLSE to resolve unpaid debts to employees. Civil Wage and Penalty Assessments that become final orders also can be used by CSLB to impose formal discipline on the offending contractor for Labor Code violations.

Verifying Leads on Public Works Projects – Public Works Unit staff verify that licensees on public works contracts obtain and maintain workers' compensation insurance for employees. CSLB staff often finds that contractors have a workers' compensation exemption on file with CSLB but have employees performing work on public projects. In cases of discrepancy, CSLB investigators call the contractor to advise that a violation of Business and Professions Code section 7125.4 is suspected. Contractors are given 10 days to comply with the law and a follow-up letter is sent. So far, the unit has achieved 100 percent compliance.

Red Flags – The unit is on the alert for contractors who violate the Labor Code and later try to escape their debts, including unpaid wages to employees. Investigators will red-flag cases where corporate officers discharge the debts under one corporation, and then try to prevent these officers from obtaining another license using a new business name. On a related note, investigators also are taking action against those who fail to disclose unpaid liabilities on license applications.



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State Seeks Lower Airborne Lead Limits in the Workplace

A renewed effort to reduce exposure to lead and protect workers from long-term health risks – especially in the construction industry – is underway by the [California Department of Public Health](#) (CDPH).

Overexposure to the metal is measured in the blood, and high levels have been known to cause kidney and cognitive impairment, and hypertension. A CDPH report earlier this year concluded that up to 10 percent of the workers who were tested from 2008-2011 had blood lead levels that exceeded the safety threshold.

Construction workers accounted for 17 percent of all elevated blood level cases detected among those who work in industries where lead is a hazard. Only manufacturing industries had more cases of workers whose blood levels exceeded safe standards.

Painting and wall covering contractors are of particular concern according to the report. About 25 percent of workers who were tested in 2011 had higher-than-acceptable levels of lead in their blood.

The current Cal/OSHA standard is based on lead toxicity information available in 1978, CDPH officials say. The CDPH's [Occupational Lead Poisoning Prevention Program](#) is recommending the maximum level for lead that workers breathe be set at .05-2.1 micrograms per cubic meter of air — far below today's 50 micrograms per cubic meter limit.



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New Recycling Goals in 2014 for Old Mercury Thermostats

Contractors need to be aware of new state recycling goals for out-of-service thermostats containing mercury—especially anyone with a C-20 Warm-Air Heating, Ventilating and Air Conditioning or C-21 Building Moving/Demolition license. Though no longer sold in California, the [Department of Toxic Substances Control](#) (DTSC) estimates up to 10 million mercury thermostats are still in businesses and homes throughout the state.

Effective January 1, 2014, regulations require the collection and recycling goal to increase to 95,400 mercury thermostats, or 45 percent of the estimated number of disposed devices. Recycling goals will increase through 2018.

C-20 and C-21 contractors are seen as a critical link in proper disposal of obsolete thermostats that contain the mercury toxin. New DTSC rules also will help identify contractors not participating in the recycling program.

Regulations that took effect last July require contractors to put their CSLB license number on the thermostat container or provide it at the collection location that accepts the device. The new regulations were adopted last May as the final part of the Mercury Thermostat Collection Act of 2008.

The nonprofit, industry-funded [Thermostat Recycling Corporation](#) operates about 560 collection sites in California that accept and safely recycle old thermostats. Contractors can find the nearest collection site by going to <http://www.thermostat-recycle.org/search.php> and filling in a ZIP code.

Under the new regulations, collection sites will provide the number of mercury thermostats received and the contractor license numbers to manufacturers who submit an annual report to DTSC.



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For more information, go to

http://www.dtsc.ca.gov/LawsRegsPolicies/Regs/Mercury_Therm_Recovery_Reg.cfm.

Pipeline Break Cases Unearthed by PG&E, Investigated by CSLB

An estimated 60 percent of pipeline breaches are committed by contractors and the majority of line breaks occur during unauthorized digs. This information was shared with CSLB by [Pacific Gas and Electric Company](#) (PG&E) earlier this year when it asked for assistance in identifying ways to help reverse a recent upswing in pipeline breaks. In 2012, there were 1,754 reported incidents of damage to utility lines in PG&E's service territory.

Anyone who digs into the ground in conjunction with a construction project must call 8-1-1 – in advance – to request line markings through one of California's Underground Service Alert (USA) notification centers.

Contractors who damage natural gas pipelines during unauthorized digs can expect much closer scrutiny from CSLB, which is authorized to take legal action against licensees for negligent pipeline breaks (Business and Profession Code section 7110). As of December 2013, CSLB has investigated 13 pipeline damage complaints that were lodged by PG&E.

CSLB reviews allegations and issues a decision that can range from dismissal of the case (usually for lack of clear-cut evidence) to license revocation in the most serious instances. Those who fail to call 8-1-1 also are subject to a fine of up to \$50,000, and can be held responsible for any repair costs.

Notification failures carry serious public consequences: leaking natural gas from a punctured line can explode, while those who strike an electrical line are at risk of



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electrocution. Damaged conduits that carry fiber optic or telephone cables can disrupt services to the community that result in costly repairs.

Other utility companies have taken notice of the CSLB-PG&E effort. Representatives of Sempra Energy, which operates Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E), are scheduled to meet with CSLB staff in Norwalk about pipeline break incidents in the Southern California region.

Before You Turn a Shovel, Make a Call

No matter how minimal a project may seem, contractors who plan to dig or excavate are required to call 8-1-1 and coordinate *at least* two days beforehand with either the [Underground Service Alert of Northern California](#) (known as USA North) or [Underground Service Alert of Southern California](#) (aka DigAlert).

Here is the notification checklist:

- Make the 8-1-1 call at least two working days, but not more than 14 days, before your project. You are not allowed to dig during that time. Notification is required regardless of whether the project is taking place on public, private or commercial property.
- You will be given a ticket number that references your dig information. Each contractor must have his or her own number. Sharing of a ticket between contractors on a single job is not allowed. Tickets are valid for up to 28 days after they're issued.
- Once the call is made, accurately outline your excavation area. Utility company representatives will visit within two working days either to mark or stake the



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horizontal path of their underground facilities, provide information about the location, or advise that there are no lines in conflict with your project.

- If you accidentally strike a line, you must notify the affected utility, even if there is no visible damage; internal harm may have occurred that can lead to future problems.

USA North (www.usanorth.org) covers Northern and Central California. DigAlert, in Southern California, can be contacted at www.digalert.org.

Quick Quiz

1. **What can a “B” General Building contractor NOT do?**
 - a. Take the prime contract and perform framing and two or more unrelated trades.
 - b. Take the prime contract and perform two or more unrelated trades (not including framing or carpentry).
 - c. Take the subcontract and perform two or more unrelated trades (not counting framing or carpentry).
 - d. Take the subcontract and perform one trade other than framing or carpentry.
 - e. Take the prime contract (bidding only) for one trade and subcontract the one trade out to a licensee in the correct classification.

2. **True or False:** All employees working as electricians for a C-10 Electrical contractor must be certified by the California Department of Industrial Relations.



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3. **True or False:** As an applicant needing a translator for an examination, you can bring anyone you want to interpret the test.

4. **If you hold a sole ownership license and you would like to qualify as an RME (Responsible Managing Employee) on a separate license, what action must be taken to apply for another license as a RME?**
 - a. No action is required.
 - b. You must inactivate your sole ownership license.
 - c. You cannot qualify as an RME on a second license.

5. **B&P §7159.5 (3) states, “If a down payment will be charged, the down payment may not exceed \$1,000 or 10 percent of the contract amount, whichever is less.” What is the exception to this rule?**
 - a. There is no exception.
 - b. If the contractor outlines in the contract with the homeowner that a larger down payment is required
 - c. When a contractor holds a Blanket Performance and Payment Bond

Answers: 1, D; 2, T; 3, F; 4, B; 5, C.