



INSIDE:		
Member News	2	2010 Single Family Compensation Study
Education Corner	3	HBACT News
Maximize Your Cash Flow	4	Building Briefs
Tax Breaks Available to Builders	5	Calendar of Events



From National Director, Jim Pepitone

Nort Wheeler, Ev Hyde and I represented BAEC at the NAHB Fall Board meeting in September. I wanted to share with you some of the interesting facts I learned by attending the board and several committee meetings.

Green Building

- There is an interesting "discussion" going on between National and two locals regarding green certifications. Austin, Texas and Tacoma, Washington are pushing hard to have their local green certification programs be recognized as equal to NAHB Green.
- NAHB is not in favor of mandatory green/energy regulations or codes, however there are many directors who believe that the mandating of green codes is inevitable.
- Performance driven codes seem to be taking on steam – Energy Star 2011 and the State of Washington.
- There is a shift of demand for education programs toward online.
- It is recommended that anyone facing consumer questions comparing LEED to NAHB Green consult the City of Cincinnati, Ohio AIA report. LEED has more paperwork, costs more and has fewer options.
- To date the following have been certified NAHB Green:
 - 1515 Homes
 - 16 Multi Family totaling 703 units
 - 11 land developments
- In NHAB Green pipeline:
 - 468 Homes
 - 8 Land Developments
 - 137 new builders
 - 56 new verifiers
 - 52 approved products
- The NAHB Green application process has been streamlined to include a spreadsheet.
- Version 2 of the International Green Construction Code is coming out soon.
- The FTC is coming out with some rules regarding advertising that uses the word GREEN.

Government Affairs:

- The Federal Government Affairs committee is really concerned that the regional EPA bill regarding the clean up of Chesapeake Bay will have far reaching consequences for the entire US. The regional bill will be a blueprint for the country regarding water shed implementation plans, storm water controls, maximum daily runoff requirements and agriculture.
- Mission Kansas has enacted a driveway tax that ranges from \$72 for a homeowner to \$60,000 for a Home Depot. The tax will pay for roads.

- \$50 million has been spent cleaning up the Puget Sound with another \$200 million on the way.
- The builders association of eastern MI is looking for support from NAHB to do away with the requirement for a new appraisal if the credit is good.
- Major changes are coming politically as there are 37 Governors races this November
- A national survey by Gallup shows that RINO, Republicans in Name Only, are dissatisfied with presently sitting Republicans as well as Democrats.
- Did you know that the Montana legislature only meets for 90 days every 2 years while the Wyoming legislature is only in session for 5 months a year?
- The mortgage interest deduction, MID, is up for possible overhaul as part of the overall tax discussion/changes
- NAHB is working with Congress to support key legislation designed to expand the flow of credit to housing development; meeting with the Federal Reserve Chairman and other top policymakers to emphasize the severe drag that the credit crunch is generating on the housing and economic recovery; and urging bank regulators to allow more housing production loans for viable projects.

Codes and Standards

- The Codes Committee reports that there will be no climate changes laws this year.
- Energy Codes are being discussed by many government agencies that will result in minimum building standard for both residential and commercial structures (+30% efficiency).
- Some current code thoughts that are in discussion within the government:
 - Placing an energy panel in front of The Building to show the public consumption.
 - Placing sidewalks from all Greenfield projects to public transportation.
 - Construction of exterior showers for Bikes.
 - Watering of landscaping by greywater.
 - All buildings to provide 1 houseplant per person.
- National Flood Insurance program is stalled in Congress
- The Fire Safety Working Group has reported that all NFPA 13D fire sprinkler systems be drained of antifreeze and replaced with water as the anti freeze is a fire hazard. After government discussion the anti freeze will have to be replaced.

2010 ANNUAL AWARDS NIGHT & INSTALLATION OF OFFICERS CEREMONY

Friday, December 10th
The Spa at Norwich Inn
607 West Thames Street Norwich, CT

Cocktails at 6:00 p.m.-7:00 p.m.
Dinner & Program at 7:00 p.m.

Thanks to our generous dinner sponsor, Overhead Door Co. of Norwich, and our Hors D'Oeuvres sponsor, The Greensulators, Inc., ticket prices will be the lowest since 2001!

A big thank you goes to our other sponsors for the evening, Nutmeg Building & Remodeling and United Cleaning & Restoration!

Please see insert to get your company in the spotlight and join these companies in sponsoring BAEC's most event of the year! Friends, Families and Co-workers are Welcome!

2010 Nomination Form

The BAEC Mission Statement says:
BAEC is the recognized source of quality building services and information. We build neighborhoods and improve the communities in which we live and work.

Do you know a BAEC member who exemplifies this statement? A builder or remodeler with very high standards, who performs exceptional workmanship, utilizes advanced technologies or incorporates sustainable features? An associate who provides an outstanding product or customer service to their clients? Or perhaps a member who consistently gives generously of their time, expertise or money to the community, the industry and/or the association?

Now is the time to give them the recognition they deserve!

Award winners will receive coverage in The Straightedge, Connecticut Builder Magazine and in news releases to local news publications. They will also be featured year-long in the association's 2011 membership directory, consumer directory and on the association's web pages. The awards section of our site receives between 40 and 60 unique visits each month. So a BAEC award can provide a number of marketing opportunities to the winner.

Nominate yourself or someone you feel goes the extra mile and makes the many things we accomplish possible! You can submit for multiple categories if you choose!

Nominations are due by close of business day on Friday, October 29. See insert for your 2010 Nomination form. Please feel free to attach photographs, testimonials or other supporting documentation to strengthen your application.

Marketing Opportunities for BAEC Members



THE 2011 BAEC MEMBERSHIP DIRECTORY IS UNDER CONSTRUCTION

It's that time of year again, for the 2011 BAEC Membership Directory! The BAEC Membership Directory reaches all of our members each year and helps to facilitate members doing business with members! Don't miss out on this amazing opportunity! Please see insert for directory dimensions and pricing! Reserve your space TODAY! Contact the office at 860.859.3518.

BILLBOARDS ARE BACK!

BAEC will once again use billboards to promote our Home Show at Mohegan Sun and our membership throughout Southeastern CT. Thousands of people will see the billboards daily, giving our home show and your company great visibility. Please see insert to get more information on getting your company more visibility!



SHOW INFO...

Don't miss this amazing opportunity to market your products and services to a wide audience at the Mohegan Sun Casino, January 22 and 23, 2011. Contact Jay Appleman of Red Stone Promotions at 1-800-294-7469 or log onto www.baechomeshow.com for exhibitor information

2011 GENERAL MEMBERSHIP MEETING SPONSORSHIPS ARE AVAILABLE!

Call the BAEC office to negotiate a sponsorship package for the upcoming 2011 year that fits your business' needs!

BAEC Member Benefit

Take advantage of our BAEC mass mailing member benefit and put your insert of up to 2 oz. in the next issue of the Straightedge. Your first insert is FREE!!



Education and Training



Seeking Courses to Earn Your NAHB Designation?

The following courses are being held by the HBA of Hartford County at their Rocky Hill location. For more information or to register please call their office at 860-563-4212.

10/29/2010	Scheduling
11/11/2010	Green Building for Building Professionals
11/12/2010	Green Building for Building Professionals
11/18/2010	Profitable Business Through Quality Practices
12/1/2010	Estimating for Builders and Remodelers

For a national listing, visit NAHB.org and click on Education and Events. Can't find what you're looking for? Call the BAEC office to schedule a class in our area.

Upcoming NAHB Webinars

10/19/10	Webinar to Provide Marketing Strategies to Engage Influential Female Home Buyers
10/26/10	Free Webinar Explores Advantages of Creating Development Agreements
10/27/10	Construction Forecast Conference Webinar
10/27/10	Free Webinar on Financing for Builders and Developers
11/2/10	Free Webinar to Demystify EPA Storm Water Rules and Regulations
11/4/10	Webinar to Provide Tips on How to Sell Homes in Any Market
11/11/10	Green Building Codes & Standards
12/8/10	Free Webinar on Nothing But the Facts About Climate Change, Density & Development

Visit nahb.org for further information and/or to register.

Get Your EPA Lead Certification Training!



As of April 22, 2010, firms HAD to be Certified by the EPA and have one or more Certified Renovators when disturbing lead paint in pre-1978 homes or child occupied facilities. Enforcement of penalties will resume on January 1, 2011.

Firms who knowingly or willingly violate the EPA regulation may also be fined up to an additional \$32,500 per violation and/or face imprisonment.

BAEC will be offering this class to attain this certification on:

Wednesday, November 10, 2010
Bozrah Moose Lodge
115 Fitchville Road, Bozrah, CT 06334
8:00am—5:00pm

Each course is offered at \$200 for BAEC members and \$225 for non members.

Payment and registration are due no later than Wednesday, October 27, 2010.

To register, please contact the BAEC office or log onto www.BAEC.net for more information.

NAHB Member Technical Assistance Hotline

Great resource if you have questions regarding building products, techniques, technologies, and best practices.

NAHB and the NAHB Research Center have teamed up to provide this outstanding free service that is designed to assist NAHB's builder, remodeler, and trade contractor members with hands-on construction issues.

NAHB Members can call 888-NAHB-MEM (888-624-2636) 8:30 AM -4:30 PM, M—F, or submit an online form with your question by logging onto <http://www.nahbrc.com/technical/hotline/index.aspx>

Technical experts will respond by the next business day. Be sure to take advantage of this NAHB members-only benefit.

For more information about this item, please contact Member Service Center at 800-368-5242 x0 or via e-mail at info@nahb.org.

IBS 2011. POWER UP.

2011

NAHB International Builders' Show

Attend the Building Industry's Biggest Event!

- More than 200 Education sessions taught by industry leaders.
- More than 1,000 of the industry's most respected suppliers.
- Over 500,000 net square feet of exhibit space.

Register today at BuildersShow.com!

JANUARY 12-15, 2011 | ORLANDO | BUILDERSSHOW.COM

Maximize Your Cash Flow

Alan Hanbury, CGR, CAPS, CGP

Maximizing your cash flow is extremely important no matter what shape the housing industry is in. Now, however, it's more crucial than ever.

First, don't confuse profits with cash. When times are tough, cash actually is more important than profit because, if you are to survive, you need cash to continue your operations.

Toward that end, there are a number of simple ways to increase the flow of cash through your business without having to take out bank loans or borrow from relatives or friends. Let's look at some of those options:

Adjust Your Contract Payment Schedules

The simplest thing that you can do is pay closer attention to the details of your contract payment schedules, assuming you have jobs in progress.

Try to get larger deposits on your jobs.

Twenty percent on additions should be acceptable; you might be able to get 50% or more on kitchens and 70% on window work.

Many people only ask their clients for 10% down and don't try to stay ahead of the client with a reasonable payment schedule as the job progresses. This is a mistake in any market - and can be critical to your survival in a bad market. Instead, schedule payments ahead of project costs and establish payment triggers for special orders and job progress.

Use Specific Terms in Your Contract for Payments Due

From now on, if you don't already, write your contracts using terms such as "when delivered" or "when ready for" to trigger payments. You also want to avoid using terms such as "after installed" or "completed" because, while they appear to be specific enough, they really can be left open to discussion and sometimes result in arguments with clients about the completeness of some small portion of the project or a perceived defect.

Avoid using "fully complete" in your contract. I can't stress this enough. The term you should use to trigger your final payment instead should be "substantial completion" - which is loosely defined as suitable for the intended use. For example, if your client is using the kitchen but hasn't made the final payment for your work, he would be in violation of the contract because he is using the kitchen for its intended purpose.

Also, hold back three times the value your client may place on any missing or broken items and be sure to set a specific date for warranty coverage to begin.

You should also front load your client payment schedule so that you are able to receive larger payments earlier in the schedule and limit the final payment to about 5% or 10% of the total invoice for smaller jobs. Your goal would be to have as small a payment for "substantial completion" as possible.

Too much flexibility in the payment schedule gives clients too much leverage. If they have the flexibility and run out of cash, you could find yourself too far ahead of their payments to re-

coup what you put into the job.

Some clients will argue for more flexibility and against a front-loaded payment schedule, but it protects your business and cash flow. We rarely back down on our payments schedules, maybe changing about 5% to 10% of them.

Take Advantage of Change Orders

Attempt to get the costs of change orders paid "in full" at signing. If you can't, then try to secure at least 50% at signing and the balance at the next milestone.

Some remodelers even charge for the time to prepare their change orders so that, if they are not acted upon, the contractor at least gets paid for the time needed to prepare those wild goose chases the client sends you on in search of that perfect look.

It's also not a bad idea to charge an administrative fee to perform a change order. Be sure to include the time lost by deviating from the job schedule and ask for the fees to cover the other subs and suppliers needed to work out a new schedule.

Face it, change orders are usually not your idea, they're disruptive to your schedule and they do take time to prepare, so change orders represent one of the few chances to recoup everything you put into preparing and completing them.

This is not, and should not be considered, ripping off your client; it's accounting for everything that happens along the way. So don't discount your change orders.

Your client can always say, "No," and get someone else to do the work. But be sure to keep everything in proper perspective for your client. List as "No Charge" all the free things you have done for your client that were not in the contract but are still part of the job. This will show them that your change orders are not a one-way street.

Use Payment Discounts From Suppliers and Other Businesses

Take advantage of all discounts for payments available to you on materials, services and other business expenses. Cumulatively, these discounts will save you money. For instance, a 2% discount for a payment made by the 10th of the month is comparable to about a 72% annualized return.

Restructure Your Debt

Move short-term debt into long-term loans so you can pay off your debt over a longer period of time with smaller monthly payments.

Strategize Your Bill Payments

Pay your bills at the last minute possible, but before there is an interest charge or penalty, so you have more cash on hand. Also, don't be afraid to ask for an extension of the time to pay a bill, but if you get an extension, be sure to follow through and pay it when promised.

Work With Insurers

Many insurance products will allow you to borrow against any cash value in your life insurance

or use your dividends to help pay for the premiums for life, disability or other forms of insurance.

Many insurers also offer discounts when you use the same carrier to insure multiple types of insurance products, such as auto insurance combined with liability insurance, an umbrella or even workers compensation.

Negotiate With Suppliers' Competitors

If your regular supplier has stopped working with you on a better payment plan, try to open an account at one of its competitors and negotiate a payment period of 30 days or more instead of the COD your current supplier is demanding.

Shop With Coupons, Be Smart With Your Spending

Shop the specials, buy in bulk and be smart with your spending. I am always looking at flyers for coupon deals on office supplies, inks, caulking, insulating foams - anything that I know I will have to buy eventually, but can get 20% or more off if I buy it now.

Get the Check in Hand

Don't use the mail to receive payments, but do use it for paying your bills. Telling someone to leave you a check or that you will be by to pick one up, is much more reliable than, "The check is in the mail."

Charge More for Your Services

Raise your prices. That's right, even in a recession. If you didn't make money during the most recent raging bull market, the one that lasted 10 years, then you obviously weren't charging enough. You might as well practice selling your services at higher prices while your sales skills are their sharpest and your best employees are the only ones you still have on staff.

Clean House

Sell all your underutilized assets, tools, equipment, trucks, cars and trailers to get them off the books and tax rolls - and clean up your yard or garage. While you probably won't get too much cash for these items, the next time you need one of them you'll realize that you can rent it for less than the cost of use divided by your annual cost of ownership.

Rent Instead of Own

Lease instead of buy to lessen the downpayment and obligation to fully pay for the asset, assuming you are going to keep it. Leases are easier to break and deal with than is giving a truck back to the bank.

Get Investors

Sell part of the business to your employees - for cash of course - or to a silent investor who understands the potential when we come out of today's market correction.

Alan Hanbury, CGR, CAPS, CGP, of House of Hanbury Builders based in Newington, Conn., provides remodeling and handyman services. A longtime leader and past chairman of the NAHB Remodelers, Hanbury is a sought-after lecturer and writer on the remodeling industry and its professionalism. For more information, visit www.houseofhanbury.com.

Tax Breaks Available to Builders Under Small Business Lending Law

Several tax incentives included in the newly enacted small business legislation (H.R. 5297) should help home builders. While the law does NOT include the language that NAHB fought for to expand housing production loans for small builders, we continue to push for new legislation that will correct this critical omission. What IS included in the current law, however, are \$12 billion in tax breaks designed to help the small business community. Items of note to home builders are listed below:

Increased Section 179 Expensing. For 2010 and 2011, the bill increases the amount of investments that businesses are eligible to write off to \$500,000 and raises the level of investments at which the write-off phases out to \$2 million. Prior to passage of the bill, the expensing limit was \$250,000 this year and only \$25,000 in 2011.

A New Deduction of Health Insurance Costs for Self-Employed. Making an exception to current law, this provision allows small business owners to deduct the cost of health insurance incurred in 2010 for themselves and their family members when calculating their self-employment taxes.

Tax Relief and Simplification for Cell Phone Deductions. The legislation changes rules so that beginning this year, the use of cell phones can be deducted or depreciated like other business property, without onerous recordkeeping requirements.

Five-Year Carryback of General Business Credits. The new law allows certain small businesses to carry back their general business credits up to 5 years — including the Section 42 Low Income Housing Tax Credit and the Section 45L New Energy Efficient Home Credit — to offset taxes paid in prior years, providing them an immediate refund this year by filing an amended tax return. The provision also allows

these credits to offset Alternative Minimum Tax liability in prior tax years. This applies to general business credits for those sole proprietorships, partnerships, S Corporations, LLC's and C corporations with \$50 million or less in average annual gross receipts.

Zero Taxes on Capital Gains From Key Small Business Investments. Under the American Recovery and Reinvestment Act of 2009, 75% of capital gains on key small business investments this year were excluded from taxes. The latest legislation temporarily puts in place a provision for the rest of 2010 to eliminate all capital gains taxes on these investments, if they are held for five years.

Extension of 50% Bonus Depreciation. Under the Recovery Act, Congress temporarily allowed businesses to recover the costs of certain capital expenditures made in 2008 and 2009 more quickly than under ordinary depreciation schedules by permitting those businesses to immediately write off 50% of the cost of certain depreciable property (rental residential real estate, in general, is excluded) placed in service in those years. The new law extends the provision for 50% bonus depreciation through 2010.

Increase in the Deduction for Start-Up Expenditures. Under current law, taxpayers may deduct up to \$5,000 in business start-up expenditures. The amount that a business may deduct is reduced by the amount by which start-up expenditures exceed \$50,000. For 2010 only, the new law increases the amount of start-up expenditures that entrepreneurs can deduct from their taxes to \$10,000, subject to a \$60,000 phase-out threshold.

Please note: Many of these provisions apply to investments or costs expended in 2010, and businesses should work with a tax professional to ensure that they gain the appropriate tax benefit for actions that they may have taken earlier this year.

2010 Single Family Builder Compensation Study

by NAHB Economics & Housing Policy Group

The 2010 Single-Family Builder Compensation Study, conducted by the NAHB Economics & Housing Policy Group in June 2010, provides compensation and benefits data for 39 common positions at single-family home building companies. Builders can use results to benchmark what they pay their employees against current industry averages. The study shows average total compensation and the prevalence of benefits offered to each position by geographic region, 2009 dollar volume, number of single-family units started in 2009, and the number of employees on payroll.

High Level Summary

Almost all single-family builders (98 percent) responding to the survey have a President/CEO. Forty-one percent report having a Superintendent, 38 percent a Bookkeeper, 28 percent a VP of Construction, and 26 percent report having a Project Manager. The remaining 34 positions listed exist at less than 20 percent of the responding firms.

The top five highest average total compensation levels are: Head/Director of Land Acquisition, at \$177,500 (position exists at three percent of responding firms); Head/Director of Development and Training, at \$173,500 (exists at two percent of responding firms); CFO/Head of Finance, at \$130,654 (exists at 18 percent of responding firms); CIO/Head of IT, at \$121,167 (exists at two percent of responding firms); and Recruiter, at \$108,050 (exists at one percent of responding firms).

The lowest five average total compensation levels are: Model Home Host, at \$30,000 (exists at six percent of responding firms); Receptionist, at \$33,246 (exists at eight percent of responding firms); Administrative Assistant, at \$38,220 (exists at 10 percent of responding firms); Bookkeeper, at \$39,075 (exists at 38 percent of firms); and Executive Assistant at \$41,076 (exists at 11 percent of firms).



HBA of Connecticut News



2010 HOBBI Awards on November 9th

It's time to celebrate the home building industry at the Annual HOBBI Awards. Join us Tuesday, November 9 at the Aqua Turf Country Club, Southington, 5:30 – 9:30 pm. The HOBBI Awards Gala is a great night for

networking with industry colleagues and seeing the best of homebuilding in the state. In addition, this year's ceremony will include a tribute to Barry Rosa, who passed away in April.

If you haven't signed up yet, registration forms are available on the HBACT website at www.hbact.org.

Many thanks to this year's HOBBI Sponsors:

CT Appliance & Fireplace Distr.
HBA of Northwest CT
MetLife Home Loans
Rockville Bank
Stone Depot –
Della Terra Showcase,
Connecticut Energy
Efficiency Fund

Kolbe Windows
Garden State Millwork,
CT Lighting Centers,
Prudential CT Realty,
DiMatteo Insurance
The Roberts Agency



New for 2010 – HOBBI Awards Builders-Only Tour Wednesday, November 17

Join us for the first Builders-Only Tour of the top HOBBI Award-Winning Homes. Spend an afternoon visiting the best of HOBBI winning homes, with guided tours by the winning builders.

Tickets are \$75 each and all ticket money will be donated directly to **Homes for our Troops**. Your ticket includes a seat on the luxury coach tour bus, a delicious box lunch, tours of 4-5 HOBBI winning homes, and a reception compliments of Lillian August.

Many thanks to our sponsors:

DiMatteo Insurance
Gault Energy
Hometronics Lifestyles

Lillian August
Ring's End Lumber
The Roberts Agency

Registration forms for this great new event are also on the HBACT website at www.hbact.org

SAVE THE DATE:

Wednesday, February 9, 2011

Building Science & Green Building Seminar

(note: this course provides CEU credits for NAHB's CGP, CGB, & CGR designations, AIA and USGBC)

November 2 is Election Day! Do You Know Your Local Candidates?

The weeks before elections are a great time to get to know the candidates running for local and state office. The candidates are highly visible at many local events and anxious to talk to constituents. Stop by and say hello, send them an e-mail, and find out where they stand on issues important to the home building and remodeling industry.

When you meet a candidate who supports your issues, offer your support – make a donation, hand out flyers to your neighbors, put up a lawn sign, or campaign for them -- do everything you can to help these candidates get elected.

The HBACT's 2010-2011 Government Affairs Issues list is now posted at www.hbact.org. There will be many specific issues to address in the coming month, but there are just two priorities:

1. Reduce and streamline regulations on land development and building homes for Connecticut's citizens at both state and local levels.
2. Reduce state spending and the size of state government.

Candidates Answer Builder Questions

The HBA of Connecticut was well represented in a question and answer session with Gubernatorial Candidates Tom Foley and Dan Malloy sponsored by Northeast Utilities on October 7. Thanks to Dan and Tom and all those who participated.



BUILDING BRIEFS

False Internet Rumor: Impact of Medicare Tax on Home Sales

[FALSE]

For some time now, a nasty rumor has been circulating on the Internet that the new 3.8% Medicare tax on so-called unearned income (set to take effect in 2013) is a straight tax on the sale of a home. As we reported when this rumor first surfaced many months ago, NAHB members should be aware that it is completely false. Rather, the tax increase on capital income — such as capital gain and rents — will affect

some real estate investments, but should have a negligible impact on sellers of principal residences. That tax will affect high-income taxpayers who report taxable income due to capital gains and other non-wage income. It will NOT affect income that is currently tax-exempt, including most capital gains from a sale of a principal residence (due to the \$250,000/\$500,000 gain exclusion rules). Taxpayers with less than \$250,000 in income will not see any increase in their tax.

Lengthy EPA Questionnaires Sent to 3,000 Owners and Developers

Approximately 3,000 property owners and developers received questionnaires from EPA at the end of September in preparation for a new federal post-construction discharge permit, which is the next phase of regulating storm water runoff. Those who received the questionnaire are required by law to complete it—a process that the EPA estimates will take a little more than 60 hours on average. Respondents are required to provide detailed technical and financial information for their projects — including the project type and size, storm water management controls and associated cost. They must also provide information regarding their company's finances. In view of the significant burdens associated with completing the survey and any future additional storm water rulemaking, NAHB's Environmental Issues Committee members worked tirelessly with EPA to ensure the collection of useful data. NAHB also submitted compre-

hensive public comments to the agency that questioned the agency's legal authority and chided it for failing to provide sufficient time to complete the survey — approximately 60 days.

In response to our efforts, EPA dropped the most intrusive financial questions it had planned to ask and scaled back the detailed project information it was requesting to five projects instead of 10, thereby reducing the burden from 72 to 60 hours. Next month, EPA also plans to meet with a panel of developers, owners and municipal sewer authorities to assess the impact of its new rule on small businesses and small local governments. For more, please contact Ty Asfaw at 800-368-5242, x8124.

UPDATE: EPA Lead Rule Enforcement Facts

The Environmental Protection Agency's schedule of fines for violating the federal Lead: Renovation, Repair, and Painting Rule demonstrate that the federal government is serious about its intentions regarding enforcement: Penalties can range from \$130 to as much as \$37,500 per violation, per day.

The regulation applies to contractors working in pre-1978 homes on projects that disturb more than six square feet on an interior or 20 square feet on an exterior painted surface. All complaints will be referred to EPA's regional offices for investigation, and if the office determines that a violation has taken place, it can do one of four things:

1. **Notice of Noncompliance.** This solution may be used for first-time violators or in cases where the contractor has substantially followed the regulation. The notice may require corrective action from the contractor and proof of the change. This action would not result in a fine.
2. **Civil Administrative Complaint.** EPA sends written notice and the contractor has 15 days to request a hearing. The complaint usually includes a penalty calculated on the severity of the charges.
3. **Civil Judicial Referral.** EPA seeks relief in the United States District Court to order the violator to comply.
4. **Criminal Proceedings.** If the civil case team has

reason to believe that the violator knowingly violated the regulation, criminal charges may be filed.

Penalty Calculation

The EPA will consider many factors when assessing a fine for violation of the lead rule, including:

- the number of rule violations by the contractor
- the economic benefit or how much the contractor profited by non-compliance of the regulation and his or her ability to pay the fine
- the nature and circumstances of the violation, plus any harm caused by non-compliance. This penalty can also take into account the violator's ability to pay the fine and stay in business, history of prior violations, and degree of responsibility
- the attitude of the violator — whether he or she is taking steps to comply and cooperate with the lead rule

Penalty Examples

If a contractor fails to maintain the required records in a home with no child occupants, the fine may be \$130. The fine increases if children and/or pregnant women live there. Failure to conduct pre-renovation education by distributing the *Renovate Right* pamphlet to residents and posting signage at the job site carries heavier fines.

WE'RE ON THE WEB!
WWW.BAEC.NET



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20 Hartford Road, Suite 18, Salem, CT 06420
Phone: 860.859.3518 / Fax: 860.859.1713
BAEC@aol.com

**Bulk Mail
Permit No. 9
Bozrah, CT**

"The single biggest problem with communication is the illusion that it has taken place."

George Bernard Shaw



Copies PLUS...more

has brought color to the BAEC world of news!

*BAEC is the recognized source of quality building services and information.
We build neighborhoods and improve the communities in which we live and work.*

October Membership Meeting



Calling on BAEC Industry Experts to Update us on Building Green

This is your chance to get up
and share your knowledge about
green building!

Or ask an industry expert
any questions on today's
newest way to build!

Participants have 5 minutes
at the mike to inform---not advertise!
If you get too windy...
the air horn will blow!

**Wednesday, October 27, 2010
5:30 PM
Bella Fiore's Restaurant
543 West Thames Street
Norwich, CT**

Call 860.859.3518 to participate!

Calendar of Events

October 2010

Thur	21st	12:00 PM	BAEC Home Show Mtg. Illiano's, New London
Wed	27th	5:30 PM	BAEC Membership Mtg. Bella Fiore's Restaurant 543 West Thames Street Norwich, CT

November 2010

Tues	2nd	6:00 PM	BAEC Board of Directors Prime 82 Restaurant Norwich, CT
Thurs	4th	6:00 PM	HBACT Developer's Council
Tues	9th	5:30 PM	HOBİ Awards Night, Aqua Turf Club, Plantsville, CT
Thurs	11th	6:00 PM	BAEC Membership Comm.
Tues	16th	12:00 PM	BAEC Home Show Mtg. Illiano's, New London
Wed	17th	TBD	HOBİ Builders-Only Tour

**For more information visit our
calendar at www.BAEC.net**