

Well it's that time again. I apologize for not getting the letter out sooner, but I've been waiting for a couple of pieces to fall into place before I could comment on them. The last couple of years have seen numerous changes coming at our industry at the speed of light. One of the reasons I send out this letter is to try and give you some feedback from my little corner of the universe. We have become a society of specialists, where no single person can focus on all of the details. I imagine that when I write about code and legislative issues that face our industry, your eyes probably glaze over. But this letter gives me an opportunity to try and encapsulate some of the issues that we all need to be aware of.



The Code, the Law and the Regulations

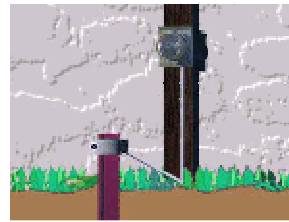
Nothing is ever simple in Texas, especially when the state government is involved. Our 77th legislative session was the most proactive in the history of the state with regard to building codes. In 2001, Senate Bill 5 was signed into law giving us an almost statewide energy code (2000 IECC). That same year Senate Bill 365 gave us the adoption of the 2000 International Residential Code. This too is an "almost" statewide code. In 2003, House Bill 730

gave us the TRCC. The TRCC in turn gave us their Performance Standards which became effective June 1, 2005. In effect Texas went from one of the least encumbered building environments to one of the country's most regulated states – in a short period of time.

One of the problems that we face is keeping up with all of the changes. A recent example of this deals with the National Electric Code and the International Residential Code. The NEC is written one year before the IRC. That works well because the IRC can incorporate the NEC changes into their latest edition. For example, we are currently working under the 2000 IRC, which incorporates the 1999 NEC.

This all sounds easy, until you throw in another agency, the Texas Department of Licensing and Regulation. The TDLR is the state agency charged with licensing and regulating electricians (among other things). They have decided that the electricians would go ahead and adopt the 2005 version of the NEC (effective July 1, 2005). This is two changes by this regulatory agency within a year.

Technically, we have two agencies within the state adopting different codes. The TRCC tells builders to build to the 2000 IRC (which incorporates the 1999 NEC); while the TDLR insists that the electricians use the 2005 NEC. In order to help keep builders in compliance, DPIS will be enforcing the 2000 IRC along with the 2005 version of the NEC (effective July 1, 2005).



NEC Changes

As previously stated, the electricians will be moving to the 2005 NEC. One of the major items more clearly defined in this edition, is the issue of grounding electrodes. This also happens to be one of the TREC

inspectors' favorite items to call on new construction. In the 1999 and 2002 editions of the NEC, this section said "where available" a grounding system should be used. In other words, if you had a conventional slab or metal water piping, the pipe and/or rebar should be connected to the grounding electrode to form a system.

Under the existing codes, if you had a post-tension foundation and PVC piping, one grounding electrode (ground rod) would be sufficient. This is still true under the 2005 NEC, except when more than 20 feet of connected steel reinforcement exists within the foundation. When more than 20 feet exists, the reinforcement must be connected to the grounding electrode to form a system. In other words, if you have (3) pieces of rebar (7) feet long (tied together) or (1) piece (20) feet long or greater, then the steel would have to be grounded. Any combination of contiguous steel greater than (20) feet in length must meet this requirement. Even the steel in post-tension slabs must be grounded, if more than 20 feet is present.

Most of the master electricians I have spoken to would like to meet this requirement by attaching a piece of rebar to the steel reinforcement prior to concrete placement. This piece of rebar would protrude from the side of the slab at ground level. The electrician would then be able to clamp onto it and provide an effective ground. This solves the grounding issue but violates the code with regards to the integrity of the foundation. If we use this method the rod that attaches to the foundation steel would have to meet the same corrosion resistant requirements as the ground rod. A piece of rebar doesn't meet that requirement.

DPIS is currently working on a detail that will show this method of compliance. Another method would be to attach a piece of bare copper (#6 or greater) to the foundation steel prior to concrete placement. The other end could later be attached to the grounding electrode.



TREC Inspectors

A couple of times a month I get a call from a builder who can't understand why we "missed" an item on an inspection report. The distraught builder usually follows with "The buyer's inspector caught it, why didn't you?" I understand the frustration, but anyone who knows me will also know that we provide the toughest inspections in the Houston area.

In most cases, I investigate the issue and find that the buyer's inspector misinterpreted the code. The Texas Real Estate Commission regulates home sales and inspections within the state. However, the training under the inspector licensure process is geared primarily to resale properties. While most of the individuals who perform these inspections have good intentions, there seems to be a lack of knowledge within the profession regarding the building codes. Currently TREC does not require their inspectors to be code certified before they perform inspections on new homes.

What I've noticed is that individual inspectors will receive information and training from one of their associations. If that information is incorrect, it may take months before the association will retract it. In the meantime these inspectors will continue to call the incorrect items.

If you have a buyer's inspector on your job site, try and show the person a modicum of respect. I have found that if you call them in private to discuss an issue with them, they are very responsive. But when you embarrass them in front of their client, it can be difficult to reason with them. By the way I am also a TREC inspector, although I don't hang my shingle out to the general public anymore.

Volume Builders Meeting – Held May 18, 2005

In an effort to better serve the building community, several members of the GHBA met last October for a strategic planning session. One of the key pieces that came out of the meeting was the need to attract and serve our larger volume builders. Over the past ten years the large corporate builders have slowly disengaged themselves from the services offered by the GHBA and have implemented their own programs. Although the financial support has never wavered, the participation by many of the volume builders has been lacking. Please remember the world is run by the people who show up. Volume builders build the majority of homes in the Greater Houston area, but make up a small percentage of the GHBA leadership.

As a follow up to the strategic planning meeting, the GHBA organized a meeting of the Volume Builders. The attendance was excellent and Bill Bartle did a great job of organizing the meeting. I just wanted to say thanks to all of you who showed up to help. The meeting didn't solve every issue, but it did get us started down the right path. A complete list of the notes from that meeting may be found in the attachments to this newsletter.

Thanks, please let me know where you stand on these issues.

Dale Phillips C.B.O.
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My Notes from Volume Builders Focus Group – 18 May 2005 – Toy Wood

Communication and Other Programs

Most like emails and e-newsletter and a few complained about too much.

Emphatic about no faxes. (working on notice that they have to let us know that)

Some read magazine, some don't.

Most want to get more people on email and some more magazines. (working on "ads" and lists at meetings and events) We need to continue to offer the magazine subscription. Should put in the e-newsletter as well as the magazine.

Few go to website or have used job board, but several stated the website was improved and few who had used job board liked it.

Virtually none use or even have a hard copy directory (but other members do – Dale Phillips)

Most attend forecast and mid year forecast, not political lunch. Most do PRISM.

None want night events.

Most participate in golf and some in clay shoot. Not interested in networking or fun events.

Only board members were PAC members and few went to Rally Day.

Discussion about importance of government affairs, but we don't do a good job of relaying that as a member benefit.

Joe Mandola suggested a production builder only luncheon at GHBA occasionally to brief on current issues such as legislation, regulations, codes, greenbuilding, etc. But must be timely and important, not just lunch for lunch's sake. GREAT IDEA!

When talking about subs and trades, mixed. Associate-type members need to see benefit. Suggested to put new members with short blurb and link to their website in e-newsletter (and something equivalent in magazine).

Also noted that most trades not interested in membership.

Production builders best served by government affairs and education.

Mark Dunham pitched Codes & Standards as very important. Most agreed that they should all have representation on those types of committees. (Will do direct request to all production builder members.)

Membership in GHBA does not affect their growth but does affect their knowledge and ability to make informed decisions (Dunham and Rohrbacher) and GHBA action does make Houston a better place to build.

Benefits of membership are not well known. Different kinds of benefits discussed. Member services like GM or Nextel. (Have a member services subcommittee – need to beef it up and get it going) Government Affairs and Education. Also discussed setting GHBA members apart – something with teeth like good housekeeping seal of approval. Legal considerations and 501(c)(6) status constraints. Designations are next best thing for remodelers and custom builders, but have little impact for production builders.

Board binder has bad numbers.

Education

Many use in-house. Some use SMC. RCS was of no interest to them. CEI too sporadic.

Dwindling participation could be due to internal education, management changes, etc.

Not interested in business management.

No need for HR. That is internal.

They do participate in regulatory, legislative, codes, and legal type seminars.

Might consider on-site customized training.

Biggest interest was in a Construction 101 course for beginners. 30, 60, 90 days of an enhanced and updated From the Ground Up course, with a test at the end. Discussion that this needs to include some hands on or demonstrations that we can probably do in the back lot. Dale volunteered to update it and we will work on a full blown course. GREAT IDEA!!