



# News leaks

## Mark Your Calendars



**March 15** – APMC Membership Meeting & Dinner

**May 23** – AB&I Foundry Tour & Oakland A's Game

**June 4** – APMC Golf Outing

## March Madness

MCAA has announced the four final teams that will make oral presentations of their written bid proposals during the finals of the 2011-2012 Student Chapter Competition on March 19 at MCAA's annual convention at Walt Disney Resort in Florida. The teams are from Illinois State U, Milwaukee School of Engineering, Southern Polytechnic State U, and **CSU Sacramento**. The finalists were selected out of 27 submissions from MCAA student chapters in the United States and Canada.

This year's competition is based on an actual project performed by Marelich Mechanical, Hayward, CA. The project involves the HVAC and plumbing systems work on the renovation and remodeling of a 165,000 square foot historical building located in San Francisco. The building was transformed from a library into the Asian Art Museum.

The four finalists will compete for a \$5,000 first-place prize; \$2,500 second-place award; and two \$1,000 awards.

## Labor Rate Trends & Outlook

The average wage and fringe benefits rate for construction unions in the United States broke the \$50.00 mark in 2011, with the average total package rate at \$50.18. Last year at this time, the total package rate was \$48.96. Modest increases were the norm throughout the country. The 2011 annual increase was 2.5 percent; 2.7 percent in 2010; and 3.9 percent in 2009. The 2011 increase is the smallest since 1995.

Although a number of settlements have been negotiated for 2012, over 60 percent of the contracts negotiated in 2011 were for one year. In the past few years, less than 40 percent of contracts were for one year.

The complete report is available at <http://www.mcaa.org/private/labor/>.

## In Memoriam



On February 20th, Richard Bertacchi passed away at the age of 78. Rich was a lifelong resident of Sacramento, born March 2, 1933. Rich graduated from Sac High in 1951 and served in the US Naval Reserve.

On Valentine's Day 1954, he married the love of his life, Patricia, and had three sons. Rich loved spending time with his boys fishing, hunting and coaching River Park Little League for nearly 20 years. Rich had sandpaper rough hands and a vise-like handshake that were a testament to the 60 years he was a member and Past President of the Plumbers and Pipefitters Local 447.

He was a great marksman and his skill in upland game hunting helped feed many folks at the annual polenta feeds where he was a proud Italian chef. Rich was a Past President of the Romulus Italian Club and active life member of the Piemonte Reale Club.

Rich is survived by and will be greatly missed by his wife of 58 years, Patricia Bertacchi; three sons, Richard (Sandy), Steven, and Anthony; and three grandchildren, TJ, Libby, and Vinny.

Family and friends will fondly remember Rich as an avid bird hunter and gardener, growing beautiful roses, tomatoes, long beans, and peppers.

## Passwords – Gateway to IT Security

Passwords are an integral part of securing both IT systems and online accounts. In order to keep your system and information safe, it's important to take the time to create strong passwords that hackers and online thieves won't easily figure out.

Security experts have recently compiled a list of the worst passwords users can choose, and 'password' is at the very top of the list. Weak passwords make your information more vulnerable simply because hackers can guess them. It may be easier to pick a password that you don't have to think about, but it's a choice that you may come to regret.

To help you avoid common password choice mistakes that users make, management application provider SplashData has compiled a list of the 25 worst passwords to use:

- password
- 123456
- 12345678
- qwerty
- abc123
- monkey
- 1234567
- letmein
- trustno1
- dragon
- baseball
- 111111
- Iloveyou
- master
- sunshine
- ashley
- bailey
- passw0rd
- shadow
- 123123
- 654321
- superman
- qazwsx
- michael
- football

***Make a smart password choice.*** Experts advise using a combination of letters and numbers when creating your passwords. Avoid birthdays and anniversary dates. Passwords with eight characters or more are safer and it's best to use different passwords for different accounts and websites. Use a password manager to help you keep track of your passwords if you're finding it difficult to remember them all.

No matter how sophisticated your security system is, a weak password gives hackers and online thieves an advantage. Helping all the users in your organization understand the importance of password strength will help you secure the IT systems in your organization.

If you're interested in learning more, please contact us so we can develop a comprehensive and custom security blueprint that meets your specific needs.

*Courtesy: CMIT Solutions and [Worst Internet Passwords](#)*

## **July 1, 2012 Effective Date for Civil Code Changes**

The California Law Revision Commission and the Legislature have worked for many years to revamp the Mechanic's Lien, Stop Notice and Payment Bond process. SB 189 became law in 2010, and SB 190 became law in 2011. SB 190 cleans up SB 189. They both go into effect July 1, 2012. The changes are not very substantive to the entire process, but there are many of them and they will all need to be complied with. This article is meant to be a very brief overview of the items that are changing July 1, 2012.

The biggest change is the statutory reference changes. The Civil Code sections that deal with Mechanic's Liens, Stop Notices and Payment Bonds have been completely renumbered. As an example, the information currently found in Civil Code section 3081.1 will be found in the new Civil Code sections 8014 and 8300 after July 1, 2012.

Some of the common terms that the industry is used to dealing with have been redefined in the statutes. Effective July 1, 2012, "materialman" will be "material supplier"; "original contractor" will be "direct contractor"; and "Stop Notice" will be "Stop Payment Notice". In addition, the definition of a contract has been broadened. If the contract is with the "direct contractor" it will be called a "direct contract". Lastly, effective July 1, 2012, the definition of a "design professional" will include a licensed landscape architect.

The "Preliminary 20-Day Notice" will simply be referred to as a "Preliminary Notice". The private works Preliminary Notice will have new language for the Notice to Property Owner effective July 1, 2012. This language can be found in the new Civil Code section 8202 or on our website.

The waiver and lien releases have been completely re-written by the new legislation. The statute indicates that "the waiver and release shall be null, void, and unenforceable unless it is in substantially the following form:" and proceeds to have the suggested text for each waiver. We believe it is better to be safe rather than risk the waivers and releases being unenforceable and use the exact same language provided in the statutes. The Conditional Waiver and Release on Progress Payment, Conditional Waiver and Release on Final Payment; Unconditional Waiver and Release on Progress Payment and

Unconditional Waiver and Release on Final Payment can be found in the new Civil Code section 8132, 8134, 8136 and 8138 or on our website.

Effective July 1, 2012, an owner, including a public entity, will have 15 days after the date of completion of a work of improvement in order to record a Notice of Completion. The owner currently has 10 days. Additionally, if the Notice of Completion contains an erroneous statement of the date of completion, it will not change the effectiveness of the Notice if the true date of completion is 15 days or less before the date of recordation of the notice.

The new Civil Code section 8180 no longer recognizes acceptance by the owner as an event that constitutes completion in private works.

The Notice of Extension of Credit statute is currently not very clear as to who must execute the Notice of Extension of Credit. Effective July 1, 2012, there is some clarification and the new Civil Code section 8460 explicitly provides that both the contractor (the claimant of the Mechanic's Lien) and the owner must sign the Notice of Extension of Credit and have it notarized before recording. The statute also specifies the exact additional time granted to file the suit to foreclose. The Notice of Extension of Credit will also be able to be recorded after the expiration of the Mechanic's Lien if it is recorded before any purchaser or encumbrancer for value acquires rights.

There are slight changes to the language of the Mechanics Lien Warning that is required on Home Improvement Contracts as per Business and Professions Code section 7159 and there is now a different Mechanics Lien Warning for New Residential Contracts as per Business and Professions Code section 7164.

Also in Business and Professions Code section 7159, the spelling of "Down Payment" which is in the contract twice, has been changed to read as one word so it should now be "Downpayment".

There have also been slight changes to both the Three-Day Right to Cancel and the Seven-Day Right to Cancel language that are to be a part of the Home Improvement Contract as per Business and Professions Code section 7159. You can review the language in the statutes or visit our website.

With respect to public utilities, the "direct" contractor will be required to pay a subcontractor the amount allowed to the direct contractor on account of the work performed by the subcontractor to the extent of the subcontractor's interest in work within 21 calendar days of a progress payment from the public utility; this is changed from 15 working days.

A public entity shall give notice to a claimant that has given a Stop Payment Notice of the time within which an action to enforce payment of the claim stated in the Stop Payment Notice must be commenced if the claimant paid the public entity ten dollars (\$10) at the time of giving the Stop Payment Notice.

As you can see, there are many things that SB 189 and SB 190 changes regarding Mechanic's Liens, Stop Notices, and Bonds, and this is just a very brief overview. For more information, please visit our website at [www.agrlaw.com](http://www.agrlaw.com).

Lastly, the above changes are effective July 1, 2012. You still have some time, but there is no grace period on compliance, so make sure to get the forms and contracts that you may need beforehand.

*This article is of a general nature and is not intended to be a substitute for legal advice. This article does not establish an attorney-client relationship with the reader. Please contact an attorney before using any of the information contained within this article. Abdulaziz, Grossbart & Rudman. P.O. Box 15458, North Hollywood, California 91606. (818) 760-2000; (818) 760-3908 (fax). [info@agrlaw.com](mailto:info@agrlaw.com)[www.agrlaw.com](http://www.agrlaw.com)*

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