

NCUCA PIPELINE

FROM THE PRESIDENT



**TO PLAY
GOLF!**

**JULY 11TH
FOREST OAKS
COUNTRY
CLUB**

PRESIDENTS REPORT

As of June 22, summer has arrived here at the coast. Remind all personnel to use sunscreen, stay hydrated and to watch senior staff members for signs of heat stroke, stress, a bright red complexion and no visible sweating are key danger signs.

Please support the NCUCA Open to be held at Forest Oaks Country Club in Greensboro July 11, 2012. Get a team together if you have not already and go the for trophy! NCUCA BOD Members will meet at 9:00 a.m.

Thanks to ABE Utilities for sponsoring the recent S&RM meeting on Reasonable Suspicion at their shop.

We have received a list from NUCA of South Carolina Contractors that are prospects for joining **NUCA of the Carolina's**. We are working to input approximately 100 pages of names and addresses into our database.

Thanks to the NCUCA Educational Foundation Committee for their ongoing work and efforts to provide educational assistance.

Keep DDT daily inspection sheets on file in case of an audit. Monitor drivers ———on a quarterly basis. They may not fess up to ticket of worse. Fill out your D.I.R.T. reports and send to Brad—he needs mail!

Work To Do!

Rob Goslee

IN THIS ISSUE

Scholarship	2
Dirt Report	3
Class	4
Drug Abuse	5
S&RM	6
Golf	7
Safety	8
Tax Changes	9
Member News	10
Save The Dates	11

NCUCA OPEN GOLF TOURNAMENT COMING SOON—SIGN UP NOW!



NCUCA SCHOLARSHIP RECIPIENTS



1st Place—Kevin Ali Chavez from Washington, N.C.
Attending UNC Chapel Hill

2nd Place—Jordan Michael Arnold from Grimesland, N.C.
Attending ECU

3rd Place—Rachel Elizabeth Goslee from Wilmington, N.C.
Attending Cape Fear Community College

CONGRATULATIONS!

EDUCATIONAL FOUNDATION

If anyone would like to donate to the Educational Foundation to help support the Scholarship Fund please feel free to do so.

Please send Checks to:

Becky Everett
NCUCA Educational Foundation
P.O. Box 33413
Raleigh, N.C. 27636



BRADS DIRT REPORT

DIRT

Damage information Reporting Tool (Dirt) is the Common Ground Alliance (CGA) sponsored site for submitting reports on events that did or could lead to an underground facility damage. The original Best Practice never called for or even suggested a damage reporting method the CGA Data Committee developed the DIRT report with an obvious slant toward damages. The very name implies reporting damages only. I've said many times that until we stop the near misses we can't stop the damages. BRS, Inc. has about 5 times as many near misses due to lack of locate or mis-locates as we have damages and very few of the damages we report are our fault.

The 2011 DIRT Report is being drafted at this time and is due to be presented to the CGA BOD in July. FMI is in their 2nd year of writing the report and they have a clear understanding of what is expected. One of the earlier reports with a different consultant took 15 months to deliver, that's far too long for the information to be relevant.

The really big news this year is that 207,779 reports were submitted this year in the USA and Canada. Nearly 10,000 came in from Australia but will not be included in the report because they operate in a much different manner than we do, in that the questions in the report often don't apply to their situation. One contract locator submitted 99,947 reports, that's 7.4 times as many reports as any other organization. Of the 207,779 reports many may be of the same event but from a different stakeholder with a different story as to what actually happened.

One notable change in this report, probably due to the many reports from a contract locator and their perspective on the actual cause of the event, is that contract locators are now indicated as marking correctly a higher percentage of the time than do in-house locators. I expect some controversy over that! Contract locators were reported to be correct 74% of the time and in-house locators 75% of the time. The 2011 numbers show contract locators correct 87% of the time and in-house locators only 74% of the time.

Neither 87% or 74% is an impressive record because that still leaves a log of bad locates that are ripe for damage. Also, I'm sure that if we could get the excavators to report those numbers, they would fall considerably.

The number of events with an indentified Rook cause rose from 54.3% to 78%. That's a likely sign that investigation and reporting is getting better BUT could also indicate that those 99,947 reports from the contract locator all included a root cause that indicated someone other than the locator to be at fault. We're still looking at that information.

One thing that remains unchanged is that Contractors/Developers doing water and sewer projects do more damages than any other group—BEWARE—I said they do more damage but that doesn't mean they are guilty of more damages. Almost all of our damages are the result of bad locates, how about yours? With even the locators admitting that nearly 25% of the locates are never done are not accurate; they have to accept a big share of the guilt.

I don't want to close on a sour note but I don want to highlight how important these locates and reports are. Fifty one of the events reported a total of 610 injuries. We don't yet know how serious those injuries were, but regardless, that's far too many. Even worse, and I hope and suspect these numbers are wrong. 408 events reported 538 fatalities. If that's correct, it would be safer fighting a war than working around underground facilities.

SAFETY AND RISK MANAGEMENT UPDATE

ABE Utilities hosted a "Reasonable Suspicion Class" taught by Mike Bearak on May 24th. We had a great turn-out and learned about alcohol and drug abuse in the workplace. The following received certificates for the necessary training to be compliant with 1 hour of alcohol and 1 hour of drug training:

Chris Humbert	Park Construction
Beck Everett	ABE Utilities
Bradley	ABE Utilities
Patrick Seay	Godwin Pumps
Randy Adams	Godwin Pumps
Curtis Greenway	Godwin Pumps
John Hughes	Godwin Pumps
Steven Lyon	Godwin Pumps
Brett Boswell	Vermeer
Linda Goslee	NCUCA



THANKS TO MIKE BEARAK FOR TEACHING THE CLASS, BECKY AND JUSTUS EVERETT/ABE UTILITIES FOR HOSTING AND TO EVERYONE WHO PARTICIPATED AND ARE NOW CERTIFIED!

When there is employee drug abuse in the workplace, annually, there is:

- 5 times more Workers Compensation claims
- 30% greater employee turnover
- 40 versus 4 days of employee absenteeism
- 36 times higher employee theft
- 300 - 400% more health care benefit utilization

A greater chance of workplace violence (66% of those arrested in such incidences test positive)(National Institute on Drug Abuse)

Drug Abuse in the Workplace

Drug abuse in the workplace can threaten public safety, impair job performance, and result in costly medical and social implications. The problems affect employees and employers alike. Several factors contribute to the problem of drug abuse in the workplace. Employers are in a unique position to mitigate some of these factors and to motivate employees to seek help for their drug problems.

The culture of the workplace may either accept and encourage drug and alcohol use or discourage and inhibit it. A workplace's tolerance of alcohol or drug use is partly influenced by the gender mix of its workers. Studies of male-dominated occupations have described heavy drinking cultures in which workers use drinking to build solidarity and show conformity to the group. Some male-dominated occupations therefore tend to have high rates of heavy drinking and alcohol-related problems. In predominantly female occupations both male and female employees are less likely to drink and to have alcohol and drug-related problems than employees of both sexes in male-dominated occupations.

Work that is boring, stressful, or isolating can contribute to employee drinking and drug abuse. Employee drug abuse and drinking has been associated with low job autonomy, lack of job complexity, lack of control over work conditions and products, boredom, sexual harassment, verbal and physical aggression, and disrespectful behavior.

The issue of drug abuse in the workplace has traditionally been met by a dismissive attitude. Many employers try to sweep the problem under the carpet which is based more on moral precepts than a concern for the health issues involved. Yet, drug and alcohol abuse is not a problem which can be isolated from the workplace, quite the contrary. While drug abuse in the workplace is becoming more widely recognized, it is not necessarily universally understood. Employers must recognize that substance abuse is harmful to both enterprise and workers.

Drug abuse in the workplace not only affects work performance in general, but also results in higher rates of absenteeism, accidents, illness and mortality along with all the related costs. It is therefore an important health and safety issue in its own right. Over recent years, studies have shown that:

- Absenteeism is two to three times higher for drug and alcohol users than for other employees.
- Employees with chemical dependence problems may claim three times as many sickness benefits and file five times as many workers compensation claims.
- In many workplaces, 20 to 25 percent of accidents at work involve intoxicated people injuring themselves.
- On the job supplies of drugs and alcohol account for 15 to 30 percent of all accidents at work.

When it comes to drug abuse in the workplace, small businesses have big disadvantages. They are less likely than large companies to have programs in place to combat the problem, yet they are more likely to be the "employer-of-choice" for illicit drug users. Individuals who can't adhere to a drug-free workplace policy seek employment at firms that don't have one. The cost of just one accident caused by an impaired employee can devastate a small business.

More than 60 percent of adults know someone who has reported for work under the influence of alcohol or other drugs. Drug abuse in the workplace costs American Businesses nearly \$100 billion a year in lost productivity, high absenteeism and turnover rates, on- and off-the-job accidents, excessive use of medical benefits, theft and property damage. They also lose 37 billion due to premature death and \$44 billion due to illness. Alcoholism is estimated to cause 500 million lost workdays annually. Experts say that 10% to 15% of all employees are dependent on drugs and or alcohol.

Addiction treatment costs less than replacing an employee, especially for high-level professional employees. Replacing a professional employee can cost an employer up one to two times the person's annual salary (recruitment, advertising, reviewing applications, travel, relocation, HR staff time), not to mention the loss of company knowledge.

Quick Statistics about Drug Abuse in the Workplace

- About 1.2 million full-time workers abuse illicit drugs and are heavy alcohol users.
- About 7 percent of full-time workers use illicit drugs (6.3M), and about 7 percent are heavy drinkers.
- Between 20 and 40 percent of all general hospital patients are admitted for complications related to alcoholism and other forms of substance abuse.
- Between 44–80 percent of young adults ages 16–17 work during the year. Those working more than 20 hours per week are at high risk for substance abuse and injury. With our youth entering the workforce in greater numbers, this is a significant issue for workplaces to address.
- In a survey of five work sites, 18 percent of persons who drank alcohol and 12 percent of illicit drug users reported that their performance at work had declined due to alcohol or drug use.
- The highest rate of illicit drug abuse and heavy alcohol use is among 18–25 year olds, males, Caucasian, and those with less than a high school education.
- Today, almost 73 percent of all current drug users ages 18–49 are full- or part-time employed – more than 8.3 million workers.

Safety & Risk Management

Committee Meeting

Everyone Is Welcome!

AUGUST 9, 2012
GREENSBORO, N.C.



DETAILS COMING SOON

WANTED!

**GOLFERS AND SPONSORS
FOR**



**NCUCA OPEN
GOLF TOURNAMENT**

THE 2012 EDITION OF THE NORTH CAROLINA UTILITY CONTRACTORS ASSOCIATION ANNUAL NETWORKING AND FUNDRAISING NCUCA OPEN WILL BE HELD AT:

FOREST OAKS COUNTRY CLUB

4600 FOREST OAKS DRIVE

GREENSBORO, N.C.

WEDNESDAY, JULY 11, 2012

Please go to www.ncuca.org for information and registration form



Court Strikes Down OSHA Ruling

The United States Court of Appeals for the D.C. circuit ruled on April 6, 2012 that OSHA has only six months from the date that an employer failed to record an injury or illness on the OSHA log to cite an employer for a recordkeeping violation. Employers have seven calendar days from learning of a recordable injury or illness to record it in the OSHA log.

This ruling was made after OSHA issued citations to a contractor for failing to complete its injury and illness logs, forms, and summaries between the years 2002 and early 2006. Since OSHA issued the citations in November 2006, more than six months after the last unrecorded injury occurred, the contractor moved to dismiss the citations as not within the time frame prescribed under the Occupational Safety and Health Act.

OSHA argued that recordkeeping violations are continuous violations. Even if the failure to record happened four years prior to when OSHA inspectors discovered it, it remained a violation if OSHA cited it within six months of learning about it.

The Occupational Safety and Health Review Commission (OSHRC) sided with OSHA on the citation. The employer contested the OSHRC ruling, and the Appeals Court sided with the company. Needless to say, OSHA is not happy that the court struck down the ruling, because it shortens the time frame for citations. OSHA could appeal this decision.

COMMUNICATION—Essential Leadership Skill

Communication is probably the most important leadership skill. It is key to getting crew members to understand what needs to be done and done safely.

Although the foreman must be able to effectively relay to the crew what is expected of it, he or she must also know how to listen. When a worker asks for assistance or direction, or suggests that there may be a problem, the foreman must take time to hear what concerns the employee and to evaluate the situation. Too often a worker will identify and point out a problem only to be told not to worry about it. This convinces the worker—who may convince others—that despite what the company says about safety or other issues, it is not really concerned.

In the construction industry, foremen often face the issue of non-English speaking employees, making it difficult to communicate with crew members. One simple answer is to pair workers with foremen or co-workers who can speak their language, often Spanish. This is not always possible and may mean management has to think outside the box. Another alternative is to have a bi-lingual employee translate for the foreman, although this can result in inaccuracies. Foreman can also be encouraged and helped to learn a second language.

More than 10 years ago, Congress passed a far-reaching tax cut law --the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). The 2001 tax cuts continue to impact virtually every taxpayer: individuals, businesses, exempt-organizations, and more. The tax cuts were also temporary and were scheduled to expire after 2010. As you know, 2010 arrived and Congress could not decide whether to make the tax cuts permanent or not; so they extended them for two more years. Now, the expiration date moves closer every day and any quick resolution is doubtful. In the meantime, taxpayers are left with many questions about tax planning for 2012 and beyond.

What's expiring?

A host of tax incentives are scheduled to expire after 2012. Some, such as the reduced individual tax rates, have received much attention; others have not been in the spotlight. This email (letter) highlights some of the tax cuts scheduled to expire after 2012 and what might happen if they are not extended.

Individual tax rates. Unless extended, the current individual marginal income tax brackets of 10, 15, 25, 28, 33, and 35 percent are scheduled to expire after 2012. In their place, the pre-EGTRRA rates will be revived; that is, the rates are scheduled to revert to 15, 28, 31, 36, and 39.6 percent effective for tax years beginning after December 31, 2012. Both President Obama and the GOP have indicated their opposition to allowing the rates to revert for middle-income taxpayers after 2012. However, the White House and the GOP differ sharply on whether to extend the top two current rates (33 and 35 percent) or not. At this time, it is increasingly unlikely that the White House and the GOP will reach an agreement before the November elections. The fate of the rate cuts may be left to the lame duck Congress that will meet after the elections. Recently, there has been talk of Congress passing a short-term extension (six months) of the rate cuts and punting the fate of the cuts (and many of the incentives discussed below) to 2013.

Alternative minimum tax (AMT). For many taxpayers, the AMT is their regular tax because of a combination of factors (such as living in an area with high state/local taxes and high home values). To prevent the AMT from encroaching on middle-income taxpayers, Congress has routinely "patched" the AMT. The patch provides higher exemption amounts along with other targeted relief. The most recent patch in the 2010 Tax Relief Act expired at the end of 2011. President Obama and some Republicans have proposed to repeal the AMT. They differ, strongly, on what would replace it. The President has proposed the so-called "Buffett Rule," which would ensure that taxpayers making over \$1 million annually would pay an effective tax rate of at least 30 percent. House Republicans have proposed to eliminate the AMT along with consolidating the individual tax rates from six to two. The most likely outcome is another patch for 2012, followed by a more permanent solution found within broader efforts toward "tax reform" in general.

Capital gains/dividends. Taxpayer-friendly tax rates on qualified capital gains and dividends are also scheduled to expire after 2012. Under current law, the maximum tax rate on qualified capital gains and dividends is 15 percent (zero percent for taxpayers in the 10 and 15 percent income tax brackets). After 2012, the maximum capital gains tax rate is scheduled to revert to 20 percent (10 percent for taxpayers in the 15 percent bracket) and dividends will be taxed at the ordinary income tax rates (potentially up to 39.6 percent). Like the individual rate cuts, the White House and Republicans are far apart on the fate of the capital gains/dividends rate cuts. Some taxpayers are accelerating capital gains into 2012 while the tax rates are lower as one strategy to deal with the uncertainty.

Federal estate tax. No provision in the Tax Code has been subject to more uncertainty in recent years than the federal estate tax. Under EGTRRA, the federal estate tax was scheduled to be repealed for 2010 and replaced with a modified carryover basis regime for that year only. The 2010 Tax Relief Act made some significant changes, providing for a maximum estate tax rate of 35 percent for decedents dying after December 31, 2009 and before January 1, 2013 and an applicable exclusion amount of \$5 million. In addition, estates of decedents dying after December 31, 2009 and before January 1, 2011, have the option to elect not to apply the basic estate tax regime under the 2010 Tax Relief Act. These 2010 estates may elect to apply the estate tax based on the 2010 Tax Relief Act's 35 percent top rate and \$5 million exclusion amount, with stepped-up basis or no estate tax and modified carryover basis rules under EGTRRA. The complex rules under the 2010 Tax Relief Act are scheduled to expire after December 31, 2012. Under current law, the federal estate tax is scheduled to revert to a maximum tax rate of 55 percent with a \$1 million exclusion amount after 2012. Along with the federal estate tax, many taxpayer-friendly changes to the federal gift tax and the generation skipping transfer (GST) tax are scheduled to expire after 2012. Please contact our office for more details about the federal gift and GST taxes.

Child tax credit. The \$1,000 child tax credit for dependents under age 17 could be cut to \$500 after 2012 if the scheduled reduction takes place. EGTRRA raised the credit to \$1,000 and the 2010 Tax Relief Act extended the \$1,000 amount through 2012. Additionally, the 2010 Tax Relief Act extended other enhancements to the credit, which also are scheduled to expire after 2012. The likelihood of Congress extending the \$1,000 child tax credit is high; the question is when. Individuals will claim the credit on their 2012 returns filed in 2013, which gives lawmakers some time to extend the credit without taxpayers being adversely affected.

More expiring incentives. A lengthy list of tax cuts in the 2010 Tax Relief Act are scheduled to expire after 2012. They include (and this is not an exhaustive list):

- Marriage penalty relief;
- Limitation on itemized deduction for higher income taxpayers;
- Phase-out of personal exemptions for higher income taxpayers;
- Enhanced child and dependent care credit;
- Repeal of 60-month restriction on student loan interest deduction;
- Enhanced Coverdell Education Savings Accounts;
- Special rules for certain tax-exempt bonds;
- Repeal of the state death tax credit; and
- Enhanced adoption credit and adoption assistance programs

Along with all of these, Congress must decide the fate of the so-called "extenders." These are popular but temporary tax incentives, many of which expired after 2011. They include the research tax credit, the optional state and local sales tax deduction and many more. The lame duck Congress may also decide the fate of the employee-side payroll tax cut, which is also scheduled to expire after 2012.

Planning challenges

Uncertainty is always a factor in tax planning. Life brings countless changes, such an increase or reduction in income, birth of a child, death of a spouse, and so on. In 2012, uncertainty is magnified by the unknown fate of countless tax provisions on which taxpayers have relied in recent years. The uncertainty is expected to continue

Member News

MSC WATERWORKS CHANGES NAME TO: “FORTILINE”

PAGE 10

In July of 2010, we made a decision to change and federally register a new name which would allow us to continue to conduct business anywhere in the U.S. although we registered the name and found no conflicts in our industry sector, we soon faced a legal challenge from a different market sector. As a result, we have agreed to a settlement resulting in a final name change.

Using our vision and goals as a foundation, and working with a nationally recognized name development organization, we took this opportunity to choose a name that not only relates to our heritage – but captures our current culture and vision.

OUR VISION—”To be the preferred and most trusted resource for Utility Infrastructure Product Solutions”.

Although our name and logo will be different, our ownership, executive management, and branch personnel *will* remain the same. All contacts, address, and phone numbers will stay the same. However, our website and email addresses are changing to reflect the new name. These changes will be effective June 18th.

All that said my NEW email address will be Michael.bearak@fortiline.com so if you could please update my contact information, I would greatly appreciate it.

Thank you,

Mike Bearak
“Fortiline”

CONDOLENCES GO OUT TO NCUCA PAST PRESIDENT (1991) **RICHARD MONEY** AND HIS FAMILY ON THE DEATH OF HIS WIFE, **MARIE MONEY** ON JUNE 17, 2012. MRS. MONEY WAS ALSO ACTIVE IN NCUCA SERVING ON THE SCHOLARSHIP COMMITTEE.

DONATIONS CAN BE MADE TO THE **HOSPICE & PALLIATIVE CARE OF GREENSBORO**—2500 SUMMIT AVENUE, GREENSBORO, N.C. 27405



Save the Dates

JULY 11TH

NCUCA OPEN GOLF TOURNAMENT
Forest Oaks Country Club, Greensboro, N.C.



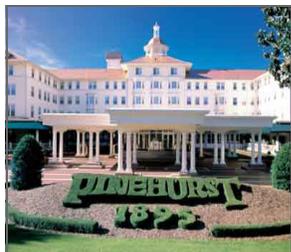
AUGUST 9TH

SAFETY & RISK MANGEMENT MEETING
Piedmont Natural Gas, Greensboro, N.C.



OCTOBER 18-10th

FALL CONFERENCE
Pinehurst, N.C.



PLEASE MARK YOUR CALENDARS!!