



Building Industry Association of Washington

Post Office Box 1909 • Olympia, WA 98507 • 1-800-228-4229 • FAX (360) 352-5332 • www.biaa.com

## BOARD OF DIRECTORS MEETING MINUTES

The Davenport Hotel, Spokane  
Friday, November 9, 2007

### Call to Order

President Doyle called the Board of Directors meeting to order at 10:15 am. Doyle led the BIAW members in the flag salute.

### Roll Call

President Doyle recognized the following Past Presidents in attendance:

Randy Gold	William Childress	Lyle Fox
Robert Camp	Duane LaPierre	Gary Cronce
Dottie Piazza	Jeff Hansell	

President Doyle recognized the following Past Second Vice Presidents in attendance:

Gary Allen	Tom Stewart	Bob Moe
Leonard Terzenbach	Charlie Brown	Rick Tremaine
Steve Garitone	John Matson	

President Doyle recognized Barry Rutenberg, Area 5 NVP, who is a national guru on global material pricing. Doyle thanked him for being with BIAW for the meetings.

President Doyle asked Secretary Mosier-Vaudt if there was a quorum.

Secretary Mosier-Vaudt confirmed there was a quorum.

BIAW-004663

Approval of Minutes

President Doyle entertained a motion to approve the June 29, 2007 minutes as written.  
MOTION: So moved.

MSP

President's Report - Daimon Doyle

President Doyle gave his Presidents report thanking everyone for their support during the past year. He noted it was an uneventful year in regards to controversy or things distracting from the mission of BIAW. He noted BIAW is poised to have a great impact on future decisions in Washington State. BIAW came together as a group to make sure the resources are available to participate 100% in the Governor's race. The Republican Governors Association has identified the Rossi race as their number one priority.

Economy is currently strong in Washington. Doyle said he desires that to continue, wants everyone to be successful in their professions and people of Washington to be able to continue to afford housing.

President Doyle presented, as a token of appreciation, gift certificates to the Senior Officers:

- |                                       |                      |
|---------------------------------------|----------------------|
| First Vice President Brad Spears      | Spencers Restaurant  |
| Second Vice President Darylene Dennon | McCormick & Schmicks |
| Treasurer Kyle LaPierre               | Cedars Restaurant    |
| Secretary Linda Mosier-Vaudt          | Stanley & Seaforts   |
| Immed. Past President Jeff Hansell    | Daniel's Broiler     |

Treasurer's Report - Kyle LaPierre

BIAW has had a very good year. Revenues are up and expenses are down. LaPierre presented the Board of Directors a recommendation from the Executive Committee for approval of the 2008 budget. Of the 2008 budgeted \$9.4 million dollars, \$2 million dollars had been set aside for the political line item 6088. LaPierre entertained a motion to approve the 2008 budget.

MOTION: So moved.

MS

Mike Nykreim asked to make a resolution which would impact the budget. He acknowledged the tremendous amount of work already done on the Chapin home; then made a motion that there be a resolve that BIAW support the President to finish the Chapin home and get her back in business at the earliest possible date.

President Doyle ruled the motion out of order under the Treasurer's report requesting that it be presented under new business.

**VOTING ON THE MOTION: To approve the 2008 budget.**

**Passed.**

Treasurer LaPierre continued his report entertaining a motion to move funds in the amount of \$2 million dollars from short term investment account to line item 6088.

**MOTION: So moved.**

**MSP**

President Doyle deviated from the agenda a moment. Doyle mentioned that Mike Nykreim had a personal investment in the Chapin project and had offered to help to get her business running. Connie Chapin has a business of teaching swimming to children including those with physical and mental challenges. The new pool did not come with a cover nor does her old cover fit. That is the major obstacle and is not within the scope of work. ABC is working with her to get a cover that is adequate. To date there have been three options presented and none have worked. Doyle said he was committed to assist her to get her business up and running. However, in a typical year, her business closes in the months of November and December. And a client of Mike's has offered their pool for her use. President Doyle said if anyone knew of someone in the pool cover business he would entertain a phone call.

President Doyle noted there were a number of BIAW members who participated in the Extreme Makeover. He acknowledged Tenhulzen painting as one that had not been mentioned and were critical players. Also Pat McBride, who would be in the top five, drew up a phenomenal set of plans, arranged the engineering, landscape design, arborist, and worked as the liaison with the City of Kirkland on the project.

#### **State Representative's Report - John Piazza**

In the absence of John Piazza, Sherry Schwab gave the State Representative's report. Schwab acknowledged John Piazza for his many years of dedication to BIAW and his work at NAHB. She announced the upcoming NAHB meeting in Orlando Florida in February. Then highlighted current issues NAHB is dealing with which include: global

climate change, the Green Build program, fire sprinklers, immigration reform and the housing credit crisis.

Schwab introduced Barry Rutenberg, Area 5 NVP.

Barry Rutenberg addressed the Board of Directors. Rutenberg spoke on the national mortgage crunch and the effects on all builders.

### Committee Reports

#### **Education Committee Report - Cary Butler**

The Education Committee met and discussed the following issues:

- BIAW continues to schedule courses for 2008; fifty had been scheduled so far with a goal of sixty.
- BIAW has developed a Low Impact Development course that will be piloted in Olympia, Pierce and Skagit-Island Counties in April.
- BIAW Alaska Cruise was not as successful as hoped, however it was well worth it. Everyone had a great time.
- Local Associations continue to build relationships with public schools to create industry awareness. Spokane HBA and North Peninsula both had great plans which were shared.
- BIAW had been put on warning that the Department of Ecology may cancel the BIAW Certified Erosion and Sediment Control Lead (CESCL) certifications courses. BIAW should know the outcome in December.
- Next March is National Designation Month. There are a number of special NAHB deals for the Local Associations to take advantage of. Also there would be couple of new designations (Graduate Master Remodeler and Certified Green Professional) to be released and announced at IBS. BIAW currently leads the country in designations. They are as follows: 118 Certified Graduate Remodelers (CGR); 31 Certified Graduate Builders (CGB); 12 Certified Graduate Associates (CGA); 90 Certified Aging-In-Place Specialists (CAPS) and 40 Residential Construction Superintendents (RCS) and 11 Graduate Master Builders (GMB).

President Doyle presented Chairman Butler with a plaque in appreciation for his service.

**Bylaws and Nominations Committee Report - William Childress**

The Committee business was brief. The Committee received nominations for two members to be selected as Life Directors of BIAW. They were reviewed and deemed qualified. Those members are Steve Garitone and Lyle Fox. Both were asked to stand and be acknowledged.

**MOTION:** To accept the nominations of Steve Garitone and Lyle Fox for Life Directors.

**MSP**

President Doyle presented Chairman Childress with a bottle of wine in appreciation for his service.

**Associate Advisory Council Report - Linda Mosier-Vaudt**

The Associate Advisory Council made a motion to produce a two-colored political brochure for use by Associates to aide with WAHC fundraising. It would be likened to a BUILD-Pac brochure.

Chair Mosier-Vaudt presented Associate Appreciation Awards to the following recipients:

Curtis P. King, Central Washington HBA  
Kevin Coker, Jefferson County HBA  
Lary Coppola, Kitsap County IIBA  
Tracy Gudgel, North Peninsula BA  
Greg Stevens, OMB  
Patrick Hayes, SICBA  
Darlete Schrank, HBA of Tri-Cities

A.J. Gomez, BIA of Clark County  
Myra Williams, MBA of King/Sno  
Kelly Gwinn-Duby, LCCA  
Jim Blair, North Central HBA  
Bob Mickey, MBA of Pierce County  
Scott Keno, Spokane HBA  
Joel Tarrida, BIA of Whatcom County

**Washington Builders Benefit Trust Report - Rick Tremaine**

Rick Tremaine began his report with a Health Insurance Trust update. The number of enrolled members insured had leveled out at twenty-five thousand participants; year-to-date 117 companies or 1,973 new employees had been added. The loss ratio, which is critical in determining the rate increase, year-to-date is currently 78%, which is good. As of April 2008, due to legislation in Oregon, Oregon participants will no longer be able to participate in BIAW's program, which will bring about an eight percent loss. Oregon is giving participants time to adjust and prepare for the cut-off date. This also allows BIAW a fair amount of time to make adjustments as well. Hopefully renewals will offset the decrease in participants.

The Health Insurance program has a fair amount of cash flow funds in the program. Year to date the funds have yielded approximately \$200,000 in income from interest earned.

Tremaine continued his report with a ROII program update. The ROII total portfolio year-to-date is in the amount of \$38 million. The equity is not doing so well as of recently. The return last quarter was 1.03%; year-to-date as of September 30 reported 5.72%; past twelve months yielded 12.15%; and following a new distribution of funds in May 2005, the return average has been 12.25%.

Finally, the ROII lawsuit was discussed noting the Trust would possibly be named in the lawsuit.

The following motions were made and passed:

- To affirm the WBBT policy currently in place.
- To elect Randy Gold as Chair of WBBT in 2008.
- To elect Ted Clifton as Vice Chair of WBBT.
- To retain Attorney Mark Patterson to determine the following three issues:
  1. Advise whether or not WBBT should have Davis Wright Tremaine accept services for the Trust.
  2. Advise if there should be separate Counsel and/or joint Counsel with BIAW.
  3. Advise to oversee case.
- To notify the Insurance Company (AIG) immediately to tender defense.

President Doyle presented Chairman Tremaine with a GPS system in appreciation for his service.

#### **Washington Affordable Housing Council Report - Kevin Patrick**

The Washington Affordable Housing Council met and there was a presentation of checks from the following: Lower Columbia Contractors Association, Thurston County Affordable Housing Council, Affordable Housing Council of Kitsap County, and MBA of King & Snohomish County.

There were a number of motions and they are as follows:

- Motion for WAIC to make contributions in the amount of \$700 to the following legislators: Representative Mark Ericks, Representative Lynn Schindler, Representative John Ahern, Senator Don Benton, Senator Val Stevens.
- Motion to adopt the changes to the Washington Affordable Housing Council Bylaws, which are largely housekeeping items. All the Bylaw revisions were given the required 30-day notice and passed.
- Motion to adopt two additional WAHC policies; both are minimum threshold policies:
  1. Including an 80% voting record threshold for possible incumbent endorsements. Those incumbents under 80% must be discussed by the WAIC.
  2. The candidate must raise a minimum \$10,000 by June 15 of an election year for possible endorsement. Candidates that have not raised \$10,000 by June 15 must be discussed by the WAIC.
- Motion to adopt four amendments to the WAHC policies. The only amendment rejected was the amendment to raise the WAHC dues from \$10 to \$15 dollars.
- Motion to endorse Dino Rossi, Republican, for the 2008 Gubernatorial election.

There was also discussion on the need to replace the Washington State Insurance Commissioner.

President Doyle entertained a motion to officially endorse Dino Rossi as 2008 gubernatorial candidate.

**MOTION:** So moved.

**MSP**

#### **Remodelers Council Report - Sherry Schwab**

The Remodelers Council (RC) discussed a number of issues to include the following:

- BIAW and RC will again be participating in Speaker Chopp's Consumer Protection Task Force to defend contractors against bad bills.

- John Bratton is a member on the Underground Economy Task Force. BIAW and RC are advocating for better enforcement by Labor and Industries against unregistered contractors.
- The RC is recommending Eric Clark to be the next chair of the Council and will identify a Vice Chair. There are two possible candidates.
- The RC was pleased with last year's Excellence in Remodeling Awards program, but wants to improve past perfection. The Council is looking to increase the number of applicants and is now starting to invite everyone to the event.
- The RC also voted to add a "Green Building" category to the REX program.

Sherry Schwab closed her report noting that NAHB is legally challenging EPA's lead paint regulations and announced that she would be next year's NAHB CAPS chair. Schwab is hoping to change the newsletter and was interested in any information members may have.

President Doyle presented Chairman Schwab with a gift certificate to the Barking Frog Restaurant in appreciation for her service.

#### **Past Presidents Council Report - Jeff Hansell**

The Past Presidents met and a motion was made to have the Senior Officers take on the task of the BIAW 5-Year strategic plan.

#### **Membership Committee Report - Linda Mosier-Vaudt**

Chair Linda Mosier-Vaudt began her report with a presentation from the Membership Committee. The Statesman Award was presented to Kevin Kartak.

Mosier-Vaudt continued stating the Spike Club decided to change the qualifications for an invitation to the Spike Party. Each Spike must recruit at least one new member between October 1, 2007 and April 30, 2008 or have earned at least 100+ Spike credits as of April 30, 2008. This will allow opportunity for new Spikes from the DirectDrive campaign to participate in the Spike Club Party.

The 2007 Membership Drive with the Oliver Group brought in 890 new members in two days which is a seven percent increase in membership statewide. It is estimated that when the NAHB report comes out BIAW will have moved ahead of both Georgia and Texas making BIAW 3<sup>rd</sup> place in the national membership standings. Top recruiter was Brittani Ard, MBA of King/Snohomish Counties. Top Team was Brad Spears, "Brad's Brawlers" with Spokane HBA recruiting 36 new members. Second place team was Matt

Willard "The Fames" with Central WA HBA recruiting 33 new members. Top percentage of increase was North Peninsula HBA with 26.6%. Second place percentage increase was BIA of Whatcom County with 19.01% increase. During the DirectDrive there were 336 recruiters and those names were placed in a drawing. SICBA's Rick Matthews name was drawn for a \$1,000 travel voucher.

In 2008, BIAW's Membership campaign will focus on retention by awarding a dollar amount based on drive retention, overall retention as well as net new member growth. The long term plan of the membership program is to run the two-day membership drive every other year alternating with a year focused on retention.

#### **Legislative Policy Committee Report - John Bratton**

The Legislative Policy Committee (LPC) had one motion requiring Executive Committee (EC) approval: The LPC recommended to the EC that BIAW support the California Building Industry Association's Resolution regarding the "New Home Buyer Tax Credit." The EC voted to approve the resolution and present it to the Board of Directors.

President Doyle said BIAW was fortunate to have NAHB representatives, both the resolutions chair and vice chair, in attendance. Both had seen the document previously and it had been approved by five other states. The motion would approve the resolution and would give Brad Spears the ability to withdraw or support the bill.

**MOTION: So moved.**

#### **MSP**

Chairman Bratton continued his report thanking Joe Ratto for serving as Vice Chair of the LPC. The LPC discussed preparation for the 2008 legislative session noting the following:

- The top priority is to again play defense against the Weinstein bill(s).
- BIAW staff has been meeting with members of Speaker Chopp's Consumer Protection Task Force, chaired by Representative Mark Ericks. The Task Force is interested in collecting more data on consumer complaints, evaluating contractor licensing and creating a new disclosure form which clearly spells out a contractor's warranty provision.
- BIAW will continue to push for GMA reform, protect vesting and defend against fire sprinkler legislation.

- BIAW is again working with Speaker Chopp on funding sources to eliminate school impact fees.
- John Bratton was appointed by Speaker Chopp to serve on the Underground Economy Task Force. The TF is to report before the legislative session. They are studying the difference between piece workers and independent contractors in an effort to define what an independent contractor is. They are pushing for better enforcement of unregistered contractor laws.
- BIAW is following the Governor's Global Warming Task Force which is studying all industries statewide. There are a lot of scary ideas coming from this group. Many of these proposals will have serious impacts on the housing industry. BIAW is responding in detail to each of the proposals and working with other business groups.

#### **Legal Trust Committee Report - Eric Stahlfeld**

The Legal Trust Committee (LTC) met on October 31, 2007. The following is a summary of the cases that the LTC recommended for BIAW funding, totaling \$22,500:

#### **Olson v. City of Tacoma**

Robert Olson obtained a driveway permit from the City of Tacoma to create improvements leading to his house and garage via an unopened right of way. A different city department objected to the permit and issued violations for "unpermitted work." The two city departments testified on opposite sides at a subsequent nuisance hearing before a hearing examiner, who gave the parties 30 days to resolve their dispute. Shortly thereafter, the city attorney dismissed nuisance charges. In an abrupt about face, the city attorney issued another letter requiring the Olsons to obtain a different permit, and announced that it would remove half of the driveway.

The Olsons filed suit, alleging 64.40 claims and obtained an injunction. The city countersued, claiming trespass, damage to wetlands and quiet title. The Court granted the City's summary judgment motion on the grounds that the Olsons lacked standing as they did not hold ownership in fee simple.

**The Legal Trust Committee recommended and Executive Committee approved funding in the amount of \$1,000 for an amicus brief.**

#### **Jansen v. Department of Ecology**

I-5 properties has owned 72 acres in Whatcom County for more than 20 years. The property has historically been used for agriculture. In 2002, I-5 sought to develop a

business park on the property. In 2003, I-5 properties applied for, and was granted coverage under the General Permit for Construction Activity. Most of the construction activity was subsequently completed by Sept. 2003. However, only half of the property was developed, and the eastern portion of the site was still in agricultural use.

The following year, after a dry summer, excessive rains fell and the subject site was inundated with water. DOE received a complaint that turbid water was leaving the site. DOE took control of the site's storm water system, and ordered that the storm water system be plugged, flooding the entire property. Existing BMPs were subsequently damaged and more turbid water was ultimately released from the site.

One year later, DOE imposed \$82,000 in penalties. I-5 Properties has appealed.

**The Legal Trust Committee recommended and Executive Committee approved funding in the amount of \$5,000 for an amicus brief.**

#### *AGC & BIAW v. Department of Ecology*

The revised Construction Stormwater General Permit (CSGP) was adopted in December, 2005. Construction sites disturbing over an acre or less than an acre if in a subdivision must apply for the CSGP. The permit requires contractors to file applications; develop extensive, site-specific stormwater plans; design, implement, and maintain on-site stormwater controls; employ erosion specialists; inspect weekly and within 24 hours of rain; sample discharges weekly; comply with an extensive adaptive management regime; submit monthly reports; and file transfer and/or termination forms. Although the permit is a federal requirement under the Clean Water Act, Ecology's additions are cumbersome, costly, and fraught with liability for contractors.

AGC and BIAW, as well as Snohomish County, filed an appeal with the Pollution Control Hearings Board, targeting several provisions of the permit as unreasonable and excessive. Puget Soundkeeper Alliance (PSA) also appealed many permit provisions as too lenient. Although many permit provisions are on appeal, four summary judgment motions have been decided. Two were victories for BIAW. The board determined that SWPPs are not required at application and small sites do not need to start sampling stormwater until 2008; and Ecology was directed to modify the Permit to only allow the use of DOE's Eastern and Western Manuals unless the Permit is formally modified. Otherwise, the Permit was upheld as written, including the onerous turbidity benchmark.

BIAW appealed the PCHB decision to Thurston County Superior Court. We are focusing on three issues: 1. The exclusion of other approved stormwater guidance manuals; 2. The low turbidity benchmarks; and 3. the prohibition on considering dilution when crafting benchmarks or other effluent limits.

The Legal Trust Committee recommended funding in the amount of \$16,500. This case had already received \$10,000 from the LTC in October, 2006, so the LTC recommended that the case receive more than the \$25,000 allowed per case to round out the budget for the year. The request would be presented to the Board of Directors for approval.

**MOTION:** To approve the LTC report.

**MSP**

President Doyle presented Chairman Stahlfeld with a bottle of wine in appreciation for his service.

#### **Executive Officers Council Report - Sandy Hershelman**

The Executive Officers met most of the day Wednesday. The EOC discussed and approved a motion to facilitate a HBA event coordinators meeting on the last morning of the Winter and Fall Board meetings.

The EOC frustrations regarding the insurance commissioner's office were evident as they discussed the latest choke hold on the title insurance companies and their inability to sponsor or advertise at HBA events. The EOC asked Dave Roewe to address the WAIC and LPC regarding the myriad problems with the Insurance Commissioner and the need for BIAW to find and fund a viable candidate to run against him.

EPK /Capital Benefits and Scott Keno updated the EOC on the HBA's Health Trust status.

Art Castle offered valuable fiscal suggestions and precautions to keep the IRS from questioning their operations.

A presentation was given regarding the legal risks associated with Built Green. The EOs will all be reading their Built Green promotional materials.

Marc Straub led the EOs and GADs in brain storming ideas and discussion on local area issues.

Hershelman announced the election of Marc Straub as the 2008 Chair and Joel White as the 2008 Vice Chair of the Executive Officers Council.

### Old Business

No old business.

### New Business

President Doyle acknowledged Mike Nykreim assuring him that they would do all they could to make the completion of the Extreme Makeover happen.

Mike Nykreim stated he trusted the BIAW to do the right thing.

### Open Microphone

#### **Jerry Clark - Insurance Commissioner's Race**

Jerry Clark stated that during the LPC and WAHC the subject of insurance commissioner race was discussed. He was asking for a recommendation on what action should be directed or what procedure to take.

President Doyle said it was a statewide race and would automatically be looked into.

#### **Jeff Hansell - Rossi Campaign**

Jeff Hansell gave a Rossi update stating that in the month of October \$463,000 dollars were raised and the first two days of November \$110,000 dollars were raised. Hansell then encouraged BIAW members to individually support and participate in the Rossi campaign.

#### **Kevin Russell - Extreme Makeover: Home Edition**

Kevin Russell thanked President Doyle for the opportunity to participate in the Extreme Makeover. He then saluted the BIAW staff for the incredible work they did.

#### **Joe Schwab - NW Builders Show**

Joe Schwab announced the upcoming NW Builders Show to take place in Bellevue on December 10 - 12. Schwab gave the schedule of events noting it would be an opportunity to attend seminars, participate in educational opportunities, see some builder exhibits and hear a number of excellent speakers.

President Doyle asked if there was any other new business. Hearing none, President Doyle presented the gavel to Brad Spears.

### Adjournment

Brad Spears acknowledged President Doyle thanking him for his year of service as BIAW President. Spears presented to President Doyle the following: a president's plaque commemorating him for his service; a gift certificate to the Fairmont Hotel for a weekend stay; a gift certificate to Picasso Brothers to purchase his favorite pipe tobacco and finally a gift certificate to the Gravity Beer Market to purchase his favorite variety of beer.

Spears adjourned the meeting at 11:35 am.