



Industry Reporter

Volume 6 / Number 3



Project Managers Institute Training



Hearing on Building the
American Dream



CAL SMACNA Navigates
Legislative Session



SMACNA SoCal Annual
Meeting and Dinner/Dance

MUCH TO CELEBRATE AT SMACNA SOCAL

As we move into the cooler autumn days, it is a good time to reflect on and celebrate everything we have accomplished over the summer. SMACNA SoCal has developed its long-awaited education committee, which held its first event—a Project Managers Institute—this October. This vigorous and engaging three-day training teaches project managers essential skills for managing their time and change orders, developing a people-first workplace culture, accurately costing projects, and many other tasks. We would like to thank the training facilitators, Rick Reese and Stephen Staff from FMI, for a successful and informative training session.

SMACNA SoCal members are busy right now, with continued work on the horizon in most sectors. Infrastructure, sustainability, and commercial are looking particularly strong as we roll into the winter. There are still concerns about tariffs and the longer-term effects of these, but our contractor members are showing resilience and ingenuity as they navigate these difficult waters.

The association continued to serve its members with exciting events over the summer and into autumn. We held the Friends of the Industry Golf Tournament in June, which brought our members and their guests together for a beautiful day on the golf course. We will be holding a Labor Management Cooperation Trust (LMCT) contact administration seminar in November that will cover important topics for bookkeepers, project managers, supervisors, personnel who call for dispatching and/or hiring of employees, and compliance personnel at any contractor's office. Topics that will be covered include dispatch slips and procedures, fringe benefit reporting, WebERF online reporting, National Pension online reporting, union dues and member savings plans, audit procedures, and prevailing wage/public works. The seminar is sponsored by the Southern California Labor Management Cooperation Trust, and there is no cost for signatory contractors.



By / Gina Medel
SMACNA SoCal President

The SoCal Board of Directors met in Newport in August for a full-day strategic planning seminar led by Rusty Sherwood with FMI. The meeting was held to help guide the organization's vision and purpose for the next 10-15 years. One of the topics was the search for an executive director who shares the same vision. It was a successful and productive weekend.

The executive committee worked diligently in interviewing for the executive director. We had 220 applications, 11 were selected for interviews, 3 made the in-person interview, and I am happy to share that Kristine Hammond has been offered the position. Her official start date is Monday, November 17.

Looking ahead, we encourage you to watch your emails for information about more upcoming events, such as Day at the Capitol with CAL SMACNA in January and the Sweethearts' Ball in February. Day at the Capitol is your chance to sit down with your legislators and let them hear your concerns and hopes for the future. Sweethearts' Ball is the ultimate celebration of the people who support our members through the day-to-day challenges and opportunities of being a business owner.

In the meantime, I wish you a wonderful autumn and continued success and prosperity for the rest of the year and beyond. ■

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HEARING ON “BUILDING THE AMERICAN DREAM: EXAMINING AFFORDABILITY, CHOICE, AND SECURITY IN APPLIANCE AND BUILDINGS POLICIES”

Based on decades of experience delivering complex projects, SMACNA strongly supports modern, consensus-based building energy codes and federal appliance efficiency standards. These policies reduce utility costs for households and businesses, protect life and property during disasters, and improve national energy security.

SMACNA has long served as an ANSI-accredited standards developer, following consensus-based procedures that ensure building codes reflect technical rigor, transparency, and stakeholder balance.

We urge Congress to preserve and strengthen this consensus-based model. Codes must evolve to reflect advances in building science, hazard mitigation, and energy efficiency. Freezing codes in outdated editions or undermining their implementation threatens safety, affordability, and resilience for decades.

FEMA has determined that if all future construction adhered to current building codes, the nation would avoid more than \$600 billion in cumulative losses from floods, hurricanes, and earthquakes by 2060. Research by three national laboratories found that during prolonged power outages with extreme heat or cold, modern energy codes reduce deaths by 80 percent from heat and 30 percent from cold, with benefit-cost ratios ranging from 2:1 to 6:1.2 These resilience benefits are in addition to the well-documented energy savings building codes already deliver.

In a letter submitted to this Committee, International Code Council (ICC) emphasized that modern, consensus-based codes like the International Energy Conservation Code (IECC) not only reduce household energy bills and protect health and safety but also strengthen financial stability. DOE estimates modern codes will save the nation \$182 billion between 2010–2040, while studies have shown they reduce mortgage default rates and provide families with immediate positive cash flow through lower utility bills.

The Energy Policy and Conservation Act authorizes the Department of Energy to prescribe energy efficiency standards for consumer products and certain industrial equipment. Over

the past three decades, DOE standards have saved consumers billions of dollars in energy costs and reduced strain on the electric grid.

Contrary to claims that codes undermine affordability, peer-reviewed research has found no evidence that modern codes reduce housing affordability. HUD and USDA recently determined that updating federal housing standards to current codes yields a payback of less than two years, with net savings of \$400 annually per household and over \$15,000 across a typical mortgage.

SMACNA strongly supported Section 50131 of the Inflation Reduction Act, which appropriates \$330 million to DOE to assist states in adopting the latest residential and commercial building codes, and an additional \$670 million to support adoption of Zero Energy Codes. Title III, Part D of EPCA authorizes DOE to provide federal financial and technical assistance to states in support of such programs, and Section 50131 funding is vital to ensuring communities have the resources to implement them.

These provisions were a forward-looking investment in resilience and energy affordability. DOE has already awarded hundreds of millions of dollars in formula and competitive grants to states to accelerate code adoption, training, and enforcement. These funds are critical to addressing the lack of resources that has historically prevented many state and local jurisdictions from updating their codes. Modern codes and standards also serve national security by reducing peak electricity demand, easing grid stress, and lowering dependence on volatile energy sources. They are especially important for low- and moderate-income households, who are

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By / Stan Kolbe, Executive Director of Legislative and Political Affairs, SMACNA National



Official Journal of Record
for SMACNA Southern
California



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Printed in the USA. Postage paid at La Verne, California.

To update or cancel subscriptions please call 1.877.755.2762 or email circulations@pointonemedia.com



Project Managers Institute Training

By / Jessica Kirby

The SMACNA Southern California Education Committee hosted a Project Managers Institute training event for its members in October. As experienced SMACNA contractors know, the best project managers take ownership of their projects. This concentrated program builds upon existing project management skills and strengthens proficiency and is recommended for project managers with two to five years' project management experience.

The SMACNA SoCal education committee decided on the PMI training in response to a survey its members administered on what topics the committee should cover. "The survey results indicated that we wanted to focus on the PMI," says Carmen Koo, owner of Applied Air Conditioning and SMACNA SoCal's education committee chair. "SMACNA National holds this training across America, and this year it was in North Carolina, which would have been quite an endeavor for our members to attend. We approached Aaron Hilger, SMACNA president, and he agreed to send instructors Rick Reese and Stephen Staff from FMI here to do the first SoCal PMI just for our members."

Sixteen SMACNA SoCal attendees came to the training and had excellent feedback on the content and presentation.

"I cannot recommend PMI enough!" says Chad Bishop, project manager with AireMasters. "Newer attendees to the industry

will be set up to succeed, and experienced attendees will come away with ideas to refine their skills. Time management, negotiation, and communication are all explored in depth, making anyone taking the course a stronger leader."

PMI covers management leadership so project managers can plan projects to maximize profits and customer satisfaction. It looks at project planning and customer-focused construction so companies can develop and maintain profitable customer relationships.

Attendees learned to build and lead powerful, integrated project teams grounded in excellent time management and change order management, and they left with a robust understanding of financial management and standards/best practices so they can master financial and quality control of projects.

The training was immersive and hands-on, requiring participants to define the characteristics of a "good" project manager and identify communication behaviors in a team-building exercise. By the end of the first day, they were able to develop a complete end-to-end project delivery plan, document the project plan, and implement a customer-focused strategy for the project and firm.

On day two, they dug into financial management, including accurate and timely billing, and time management, which

is actually more about self-management. This day was also dedicated to identifying and establishing a team culture around best practices and using changes as an opportunity to sell increased value.

On day 3, graduation day, participants wrote specific action items and the time period over which they will be tracked and monitored. In a more granular view, they identified which action items were for the team's focus and which were the projects of management. Each participant went home with a Project Management handbook to help guide them through using their new knowledge and skill set to lead projects and lead their teams.

"The participants were asked on the first day to share what they hoped to get out of the training," Koo says. "On the last day,

they talked about their main takeaways, and it was interesting to see that in most cases it matched up. The training directly addressed communication, soft skills, project close-out, and everything else the participants were looking for."

Project Managers Institute was the first of many educational opportunities SMACNA SoCal will be offering its members in the months to come. Its Education Committee, formed in 2024, is dedicated to bringing education and training to SMACNA SoCal members so they can enhance their business acumen and grow their businesses into the future.

For more information about the Education Committee and other opportunities, please reach out to the SMACMA SoCal office. ■

INDUSTRY NEWS

THE INDUSTRY LOSES A CHAMPION

Stan Capelli quietly passed away on Monday, September 22, 2025, after a noble battle with cancer. Stan's wife, Sue, was at his side as always, along with his family.



Stan Capelli was many things: a man of faith, honor, and integrity; an HVAC contractor; a SMACNA Chapter Executive (Tri-Counties and the Central Valley of California).

He was also an avid boater and fisherman, a hunter, a hiker, and a Dodgers fan. He was funny and fun to be with. He was generous and quiet about it; he was a great storyteller and a risk taker. He was someone you valued as a good friend.

In the end of his life, he was an example of how a man should live: with strength, dignity, goodness, and compassion... as a kind and gentle man.

May God bless Stan and the Capelli family. He will be greatly missed. ■

REGISTER TODAY FOR CAL SMACNA'S 2026 DAY AT THE CAPITOL JANUARY 26 & 27, 2026

Meet directly with your legislators in their Sacramento offices and help us educate and influence them on issues of importance to the health of California's construction industry.



Together we can make a difference. The DAC event will begin on the evening of Monday, January 26 with a hosted legislative reception, dinner, and special guest speakers. On

Tuesday, January 27, we will have a hosted breakfast and Capitol office meetings.

Get to know your legislators and help voters hold them accountable for the health of our state. Don't let others speak for you and your business!

Registration Opens October 7, 2025. ■

WELCOME KRISTINE HAMMOND, EXECUTIVE DIRECTOR, SMACNA SOCAL

After months of strategic planning, strategy sessions, resume reviews, and interview sessions, the SMACNA Board of Directors, acting through the Executive Committee, has selected your new Executive Director.

We take great pride in announcing Kristine Hammond as your SMACNA Southern California Executive Director. She was previously the Executive Director of the American Institute of Architects – Long Beach/South Bay chapter. Prior to that she served as an executive of a 501(c)(6) nonprofit organization, as the office manager and paralegal at a law firm, and as an account executive for a property management firm.

Kristine has also made a commitment to education throughout her working career. She obtained her Bachelor of Arts, Journalism degree from San Diego State University and her certificate in Legal Assistantship from the University of California, Irvine. She also earned a Master of Business Administration (MBA) at Pepperdine University, Irvine campus. Kristine lives in Long Beach with her husband, Ric, and children

We believe that competence, talent, and timing have created an excellent opportunity for success for our organization going forward. Please join us in welcoming Kristine to SMACNA Southern California. ■



CAL SMACNA Successfully Navigates Historic Legislative Session in 2025

The 2025 Legislative Session was truly historic for the California Legislature in the number of new legislators, new bill introductions, and the sheer workload for employer advocates in the construction industry. The 2025 Legislative Session officially finished on September 13 giving Governor Newsom until October 13 to sign or veto the hundreds of measures laid upon his desk in the final days of August and September.

Under this historic backdrop, CAL SMACNA staff worked on dozens of bills with great success under the direction of CAL SMACNA's Legislative Committee with Carmen Koo (Chair), Gina Medel, Chad Herrick, Mike Pence, Lisa Tuck, Mitch Hoppe, Duane Davies, Gary Meyers, Sean O'Donoghue, and Tavia Brunner. Please see a summary of our activities below.

Our 2025 wins include:

- A new 5% cap on retention for qualified private works of improvement. SB 61 (Cortese) was signed into law by Governor Newsom and will apply to all contracts entered into on or after January 1, 2026.
- Change order reform in private works. SB 440 (Ochoa Bogh) is sitting on the Governor's desk awaiting his signature at time of this article.
- Successful amendments or outright defeat of numerous bad bills that would have been costly and difficult to impossible for contractors to implement.

BILLS WE SUPPORTED – We actively sponsored and/or supported SB 61 (Cortese) to cap retention at 5% in private works of improvement; SB 440 (Ochoa-Bogh) to establish timely process for payments on change orders in private works of improvement; SB 84 (Niello) to provide a limited safe harbor from ADA lawsuits and a right to cure construction-related ADA violations; and SB 597 (Cortese) to fix the KB Homes decision for trust funds.

BILLS WE OPPOSED – CAL SMACNA worked with a larger Chamber of Commerce-led CA Employer Coalition, and the more construction related coalition, the Union Construction Caucus comprised of CAL SMACNA, CEA, NECA, MCA, SCCA, and UCON. Both coalitions have been very effective in getting necessary amendments to bad bills or actively defeating them altogether, including: AB 1221, AB 1313, AB 1331, AB 1371, SB 310, and SB 799.

MARK YOUR CALENDARS for DAY AT THE CAPITOL 2026 – CAL SMACNA's DAC will be held on the evening of January 26 and all-day on the 27.

PRIORITY BILLS – Detailed Legislative Report

1. **AB 1002 (Gabriel) GOVERNOR'S DESK—PENDING**
Would authorize the Attorney General to bring a civil action for the temporary suspension or permanent revocation of a contractor's license for failing to pay its workers the full amount of wages the workers are entitled to under state law or because the contractor has not fulfilled a wage judgment or is in violation of an injunction or court order regarding the payment of wages to its workers.

POSITION – NEUTRAL due to CAL SMACNA successfully negotiating for amendments to exclude from the definition(s) of "failure to pay workers" all misclassifications or wage rate disputes.

2. **AB 1221 (Bryan) TWO-YEAR BILL—DEAD in 2025**
Would generally regulate the use of workplace surveillance tools and an employer's use of worker data.

POSITION – OPPOSE

3. **AB 1313 (Papan) INACTIVE FILE—DEAD in 2025**
Would have required all businesses with 5 acres or more to acquire a new NPDES stormwater permit from the state. Noncompliance would be enforced through a private right of action

POSITION – OPPOSE

4. **AB 1331 (Elwahary) ASSEMBLY INACTIVE FILE—DEAD**
This bill would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in off-duty areas, as specified.

POSITION – OPPOSE

5. **AB 1371 (Sharp-Collins) TWO-YEAR BILL—DEAD in 2025**
This bill would allow an employee to refuse to perform a task assigned by an employer if the employee felt the task was unsafe or violated safety standards. This bill would protect that employee from discipline or termination.

POSITION – OPPOSE



SMACNA SUPPORTS THE SMALL BUSINESS PAYMENT FOR PERFORMANCE ACT MOVING CHANGE ORDER REFORM

“Every SMACNA contractor across the nation bidding and building federal projects greatly appreciates Rep. Pete Stauber for sponsoring the *Small Business Payment for Performance Act*,” says Stan Kolbe, executive director of government and political affairs for SMACNA National. “At a time of rising project material costs and frequent change orders, we view Rep. Stauber’s bill as our highest priority.”

The *Small Business Payment for Performance Act* would ensure that the small business federal contractors are paid sooner after project changes are completed and certified by federal agency officials.

Kolbe says this vitally important legislation allows contractors to submit a request for equitable adjustment (REA) or project contract fee adjustment to an agency that has approved a performed change order to a project’s original design or scope. The *Small Business Payment for Performance Act* ensures small business federal contractors get paid sooner after project changes are completed and certified as directed by federal agency officials.

Without Congressional action on Rep. Stauber’s *Payment for Performance Act*, fewer experienced and first-quality contractors will be inclined to bid additional federal work unless paid promptly on significant change orders as the Stauber bill advocates.

“With steel, aluminum, copper, and equipment tariffs driving up contract material costs for contractors, especially on existing federal infrastructure projects, we urge Congress to quickly pass Rep. Stauber’s long overdue, equitable, and fair contract adjustment legislation,” Kolbe says.

Without passage of the Small Business Payment for Performance legislation, the payment problems for contractors can only grow worse.

“Our members have millions of dollars in outstanding change order payments on completed and certified work, and other contractors have countless millions more outstanding,” he adds. “With a quickly expanding list of federal infrastructure projects now being bid, we urge Congress to expedite passage of the long overdue Stauber legislation before the problems grow worse and threaten the financial health of contractors small, medium, and large.” ■

6. SB 61 (Cortese) GOVERNOR’S DESK—SIGNED

This bill caps retention at 5% on all non-residential private works of improvement.

POSITION – SPONSOR/SUPPORT

7. SB 84 (Niello) ASSEMBLY JUDICIARY TWO-YEAR BILL—DEAD in 2025

This bill would prohibit a construction-related accessibility claim for statutory damages from being initiated in a legal proceeding against a defendant who employs 50 or fewer individuals, as specified, unless the defendant has been served with a letter specifying each alleged violation, and the alleged violations have not been corrected within 120 days of service of the letter.

POSITION – SUPPORT

8. SB 310 (Wiener) SENATE INACTIVE FILE—DEAD in 2025

This bill would have established a new private right of action against employers on wage and hour disputes/

POSITION – OPPOSE

9. SB 440 (Ochoa-Bogh) GOVERNOR’S DESK—PENDING

This bill creates a claim resolution process, or change-order reform, for private works of improvement. This bill requires a timely resolution of payments on change orders.

POSITION – SUPPORT

10. SB 597 (Cortese) GOVERNOR’S DESK—PENDING

This bill resolves the issue in the KB Homes decision where a trust fund was unable to collect from the GC on the delinquent trust fund payments owed by their subcontractor.

POSITION – SUPPORT

11. SB 682 (Allen) ASSEMBLY INACTIVE FILE—DEAD in 2025

This bill would ban PFAS chemicals in ALL industry sectors by 2030.

POSITION – NEUTRAL CAL SMACNA was opposed to this bill in its unamended form which would have led to the ban on critical A2L refrigerants and HVAC equipment components. The author took an amendment on the Senate Floor to limit the ban.

12. SB 799 (Allen) TWO-YEAR BILL—DEAD in 2025

This bill would have authorized private trial attorneys to sue any employer on behalf of the Attorney General for any claimed violation of the Revenue and Taxation Code. This was akin to a new PAGA provision for trial attorneys to sue employers over their compliance with the tax code.

POSITION – OPPOSE ■

HEARING ON “BUILDING THE AMERICAN DREAM”

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more likely to live in hazard-prone housing and face greater risks of financial devastation after disasters.

SMACNA is committed to working with Congress, DOE, and all partners in the building and construction sectors to ensure American communities remain safer, healthier, more resilient, and more affordable for generations to come. ■

SMACNA SOCAL ANNUAL MEETING AND DINNER/DANCE

The SMACNA SoCal Annual Meeting and Dinner/Dance brought 90 guests, including members and their plus ones, to the Ritz Carlton Marina del Rey in October. President Gina Medel gave a brief speech outlining some of the association’s recent activities and accomplishments and introducing the new executive director, Kristine Hammond. Afterward, guests enjoyed the musical prowess of the PG Band and DJ Franklin. SMACNA SoCal would like to thank Roger Gutierrez, RG Business Insurance, for sponsoring wine with dinner. ■



*To see all the
photos from the
dinner / dance
scan the QR Code*



SMART Local 105 2025 Holidays

Holidays	LA/OE Commercial	Bakersfield Commercial	Orange Empire Residential	LA/OE S&M	Bakersfield S&M	LA/OE Residential	Bakersfield Residential
Labor Day Monday, September 1	✓	✓	✓	✓	✓	✓	✓
Day Before Vetran's Day Monday, November 10	✓	✓					
Veteran's Day Tuesday, November 11	✓	✓	✓	✓	✓	✓	✓
Thanksgiving Day Thursday, November 27	✓	✓	✓	✓	✓	✓	✓
Friday After Thanksgiving Day Friday, November 28	✓	✓	✓	✓	✓	✓	✓
Christmas Eve Wednesday, December 24	✓	✓	✓				
Christmas Day Thursday December 25	✓	✓	✓	✓	✓	✓	✓
Day After Christmas Day Friday, December 26	✓	✓					
New Year's Day Thursday, January 1	✓	✓	✓	✓	✓	✓	✓