

# NEWS & NOTES

Spring 2019

## SOLUTIONS TO THE SKILLED LABOR GAP

*A combination of Baby Boomers reaching retirement age and lack of vocational programs for young adults has caused an unprecedented labor shortage in the skilled trades. HomeServe (parent company of Utility Service Partners, Inc, NLC Service Line Warranty Program administrator) has launched a new program to recruit military veterans for skilled trade jobs to address both the urgent need for skilled labor and the underemployment of veterans.*



In its 2016-2017 U.S. talent shortage survey, the staffing firm Manpower Group found that skilled trade jobs are the hardest jobs to fill in the U.S. – highlighting a large and growing labor shortage that the industry will only solve by working together.

According to the National Association of Home Builders (NAHB), the problem started during the economic and housing downturn in 2007, when the construction industry alone lost 1.5 million workers. Half of those skilled workers never came back. Further exacerbating the problem today are stricter immigration laws and retiring Baby Boomers who are permanently leaving the workforce.

NAHB's 2014 survey of contractors shows that skilled subcontractor labor shortages are more widespread than previously measured – electricians, carpenters, plumbers, bricklayers and HVAC technicians are in more demand than ever. Go Build America says that the average age of a skilled worker is over 50, and for every skilled worker entering the workforce, five are leaving.

The problem is further compounded by a perceived stigma against a career in the trades. Young people are often told a professional career path is the only option for a stable future – despite many students coming out of four-year programs with significant debt. The average student in the class of 2017 has nearly \$40,000 in student loan debt.

We simply aren't encouraging young people to pursue the skilled trades, despite the fact that the U.S. Bureau of Labor Statistics expects the industry to continue growing, and many workers in the skilled trades earn average or above-average wages.

The opportunity for a successful career exists not only for skilled workers, but for those who also aspire to run their own businesses in the industry. Many of the business owners in the HomeServe contractor network got their start as a tradesperson and then developed very successful small businesses, including women and minority owned enterprises.

To close the skills gap, partnerships should be developed between the construction and service industry and nonprofit or staffing partners to raise awareness, change attitudes and provide training that can lead to successful careers in trades. On the back cover are some examples of programs that are finding solutions through creative partnerships.

*(Continued on back cover.)*

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# Contest to Highlight How Cities Honor their Veterans

In conjunction with the announcement of our new Veterans Hiring Initiative at last November's NLC City Summit in Los Angeles, Utility Service Partners, a HomeServe company, invited cities to submit photos via Twitter. To enter the Heroes In My City Sweepstakes, city officials were asked to take a selfie at veteran-themed locations in their city or one honoring a veteran in their city and tweet it with the hashtags "#USPSweepsEntry" and "#HeroesInMyCity." The winner will receive \$4,000 to donate to a veterans' organization of their choice. We received some great entries and are so gratified to see cities honoring their veterans.

Here are a few examples...



And the winner is...

**The City of Temecula, California!**



These photos were taken at the ribbon cutting in September for the opening of a new Naval Branch Health Clinic that will improve the lives of service members and their families in the area. The Naval Branch Health Clinic Temecula, a TRICARE Outpatient Clinic, offers family practice medicine, a pharmacy, a laboratory for blood work and other needs and will soon offer physical therapy.

The Temecula-Murrieta area has a large number of military families. Before the clinic's opening, active duty service members and their families had to either drive to Camp Pendleton (20 miles away) or San Diego (58 miles away) for medical services. When fully operational, the facility will service over 9,500 patients.

"We are honored to have so many military families reside in Temecula, and this health clinic will provide important services to these exemplary citizens," said James "Stew" Stewart, Mayor Pro Tem. "Thank you to HomeServe for helping Temecula-area veterans!"

The City of Temecula has numerous programs to honor and assist military personnel and veterans. The City's website has a special section dedicated to information about these special initiatives, which include scholarship programs, dedicated parking for purple heart recipients, a banner program to recognize active duty personnel, and more. For more information, visit [www.temeculaca.gov/714/Adopted-Armed-Forces-Veterans](http://www.temeculaca.gov/714/Adopted-Armed-Forces-Veterans).

The City has chosen American Patriot Music Project as the recipient of the \$4,000 prize. This Temecula-based non-profit, comprised of the award-winning signature band AMERICAN PATRIOT, provides music program support to veterans and first responders. The band works with veterans and first responders on and off stage, supporting a variety of music projects designed to create a positive influence in the lives of our nation's heroes who need help. For more information visit <https://americanpatriotmusic.org>.

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# AMERICA'S WATER INFRASTRUCTURE CRISIS: THE SIX PILLAR SOLUTION

## Pillar #2: Data

In a previous newsletter we introduced the idea of Six Pillars that must be addressed to reverse the dire state of America's water infrastructure. The solution lies in leadership and a plan that addresses these many challenges comprehensively. Pillar #1 was Education. Pillar #2 is Data.

Water utilities face a number of challenges and conflicting priorities as the water infrastructure continues to age and budgets are stretched thin. Many are now looking to data for solutions. This data, which has always been collected by utilities for traditional tasks such as quality testing, monitoring of critical systems and advanced metering to improve customer billing, is now being used to reduce costs and improve the lifespan of infrastructure assets.

In a world of "smart" everything, more and more water utilities are utilizing data to improve operations and efficiency. According to Black & Veatch's "2018 Strategic Directions: Water Report," approximately 70 percent of utilities are "very or somewhat interested" in smart water technology, which combines automation, remote sensing and control systems with advanced metering and data analytics to obtain actionable intelligence.

When comparing the 2018 Black & Veatch report to that issued in 2017, using data to improve productivity is certainly on the rise. Year-over-year there was a marked increase in respondents indicating the use of cloud-based software to analyze data across all parts of the organization, up to 28% from 10% the prior year. Utilities identified monitoring performance, asset maintenance and treatment operations as the top three operational areas that data analytics and automated monitoring would help improve most. These areas can be closely linked to lower operating costs, optimized processes and extended life of utility assets.

Additional indicators from the Black & Veatch report point to the increased use of next generation technologies, such as advanced sensors, that can be deployed to detect subtle changes in infrastructure performance that indicate future failures and leaks.

This information can be used to proactively address problems before they become more significant and to develop a meaningful plan for replacement of capital equipment. Sensors can be very expensive — as much as \$2,000 each; however, researchers at McMaster University in Ontario, for example, are working on a [different approach](#) that can reduce the cost to under \$10, which would most likely proliferate their use by water utilities.

Utility customer service and satisfaction can be dramatically improved through the use of smart technologies for applications such as enabling customers to monitor and optimize their own water usage. In this year's Black & Veatch survey, only 12 percent of companies considered themselves early adopters who are currently benefitting from smart



technologies. 33 percent are currently reviewing these applications and 23 percent include smart technologies in long-term capital improvement plans.

The water industry appears to be embracing data more and more as a tool to increase efficiency and reduce costs; however this practice is still in the very early stages. As adoption becomes more widespread, utility organizations and customers will see increasing benefits from a more proactive approach to infrastructure maintenance and service delivery.

See the Six Pillars at [www.utilitysp.net/sixpillar](http://www.utilitysp.net/sixpillar).

*(Continued from front cover.)*

**mikeroweWORKS Foundation** – You may know Mike Rowe as the “Dirtiest Man on TV.” Mike is the creator, executive producer and host of TV’s Dirty Jobs. The 10-year-old mikeroweWORKS Foundation launched on Labor Day of 2008. Since then, the Foundation, and sponsors such as Wolverine Boots, has awarded more than \$3 million in Work Ethic Scholarships to help young people pay for training to become plumbers, carpenters, electricians, welders, etc. Furthermore, their efforts promote the idea that if you have a strong work ethic, you will be happy at the end of the day, no matter what job you do.

**Go Build** – This educational program focuses on changing the perception about careers in the skilled trades by talking to students, parents and teachers. It was started by several contractors’ associations and regularly partners with other skilled trades groups to show young people the benefits of jobs in every field in the industry through online content and extensive data analytics.

**This Old House’s Generation Next** – This program has created a visual association between young people from diverse backgrounds to the skilled trades. Last year, three young apprentices were chosen from a nationwide casting call to work alongside the This Old House PBS-TV crew to shed light on the opportunities that careers in skilled trades can provide. The stories of their 10-week

summer apprenticeship were featured on the show, which is paid for through industry sponsors.

**HomeServe Veterans Hiring Initiative** – At its annual contractors’ conference in Chattanooga, Tennessee, in September, HomeServe announced an initiative to promote skilled trade jobs and apprenticeships to veterans. This program directly connects HomeServe’s network of contractors in various skilled trades from around the country with existing staffing organizations such as the VIQORY military network’s GIJobs.com website to find qualified veterans without a fee. HomeServe is also targeting active duty service men and women who will soon be leaving the service with a “transition to trade” marketing effort featuring a dedicated Facebook site and targeted digital communications that will give them information about how to find good trade jobs. Additionally, through HomeServe’s partnership with This Old House, the company is becoming a sponsor of the TOH Apprenticeship program which will create additional opportunities. For more information, visit <http://www.utilitysp.net/veterans>.



## A Message from **John Kitzie, CEO**



In this issue we continue our series on the Six Pillar Solution to the Water Infrastructure Crisis with Pillar #2, Data. We explore water utilities’ emerging use of data that is collected for traditional tasks, such as quality testing and monitoring, to improve operational efficiency, infrastructure lifespan and customer service.

Another topic we explore is the growing shortage of workers in the skilled trades. Contractors are crucial to the service we provide and, to this end, HomeServe is partnering with veterans organizations to help bring former servicemen and women into the skilled trades field and match them up with

contractors in our network. We are excited about this initiative that will be beneficial to our organization, our customers and to the exceptional men and women who have served our country.

I hope you find this edition of our newsletter informative and interesting. On behalf of HomeServe and the NLC Service Line Warranty Program, I wish you a healthy, happy and prosperous 2019!