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# Village could win mould gold

## Subcontractors are accused of taking shortcuts in building Olympic condos



Lee Loftus, business manager for the International Association of Heat and Frost Insulators and Allied Workers Union Local 118, says the pipes are not being properly insulated, which could lead to mould and mildew problems, as well as a lack of energy efficiency. RIC ERNST — THE PROVINCE

BY WENDY McLELLAN  
STAFF REPORTER

Vancouver's Olympic Athletes Village is being promoted — and sold — as one of North America's most energy-efficient, green communities, but tucked away behind the new dry-wall are the ingredients for a mouldy, energy-leaking mess.

The "model for sustainable development" has been built without insulation that is supposed to completely wrap hot and cold water pipes. Insulation reduces energy loss from the hot water pipes; it also prevents condensation from pooling around

the cold water pipes, where it can turn into mould and mildew.

The problem won't be visible until long after the athletes have left, but in about three years condo owners will begin to notice the tell-tale signs of a situation that may cause health problems for some residents as well as a financial nightmare to fix.

"We know the water will be pooling inside the walls, but it won't show for 18 months or a little longer," said Lee Loftus, business manager for the local union representing mechanical insulators.

Loftus and a colleague from the International Association of Heat and

Frost Insulators and Allied Workers Union Local 118 have taken photographs of the bare pipes in several buildings on the Southeast False Creek site under development by Vancouver's Millennium Group.

The photos show drywall installed over uninsulated pipes in several buildings. Some pipes are insulated where they are visible outside the walls; others are mostly insulated. In some areas, the drywall had already been completed so there was no way to see whether the pipes were properly wrapped.

Millennium Southeast False Creek Properties Ltd. is paying engineers

and consultants to inspect the development that is supposed to meet LEED gold standards, a designation for buildings that meet high standards for energy and water efficiency, indoor air quality and sustainability. But the partially uninsulated pipes will mean lost heat and efficiency, and air quality will suffer when mould and mildew grow, Loftus said.

"There's nothing green about that," he said. "These people think they're buying something well-made and green, but they're not getting what they're paying for — and the developer isn't getting what they're buying."

### GM says problem fixed

Loftus said he met with Hank Jasper, general manager of development and construction for Millennium, six weeks ago and showed him the photos.

Jasper acknowledged he met with Loftus as well as representatives from other trade unions, and that he was given photos of improperly insulated pipe. But he said only one photo taken in a parking garage showed a problem, and it was fixed.

"They pointed out, I think in one location in one parcel, that there was a temporary piece of insulation that



had been put on a piece of pipe that we dealt with immediately," Jasper said in an interview Friday.

He said the site is being monitored and inspected by various inspectors, contractors and engineers and drywall could not be installed before every pipe was properly insulated.

The photos tell a different story. Jasper said he is not familiar with any photos other than the one taken in a parking garage.

"There's no location I'm aware of where that has occurred and there's no way that could happen anyway, because all of the suites, all areas, before any board is applied, inspections take place," Jasper said. "No boarding can proceed without those sign-offs by inspectors. Every suite gets checked."

At least five mechanical insulation companies — both union and non-union — are working as subcontractors on the site, and the development is so large inspectors may not see problems, says Loftus. He said he had hoped Millennium would have responded quickly to concerns about quality control, but after waiting for weeks, he decided to go public.

"They [the subcontractors] are cutting corners, and I will bet that the savings aren't flowing back to the developer," Loftus said. "The developer is spending money for LEED standards and they should get what they paid for."

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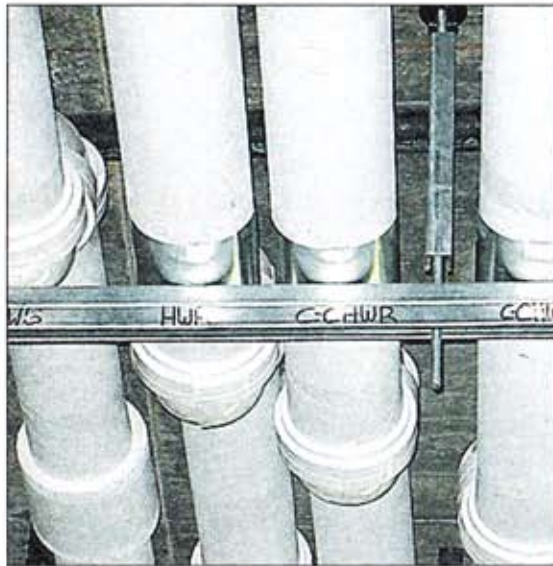
The city has already invested more than \$450 million in the development that is supposed to provide a mix of market and social housing. The City of Vancouver is also financing the \$1 billion project, after buying out Fortress Investment Group earlier this year.

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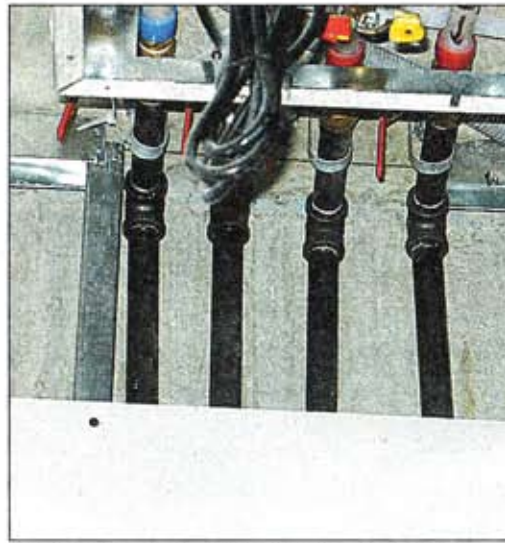
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During the meeting, Loftus says, Jasper was shown photos of the uninsulated pipes in various buildings on the site and said he would get back to the insulators union, but Loftus said he's still waiting. A second visit to the site weeks after the meeting found the drywall still in place with the pipes now hidden behind it.

"I don't think they can fix it on time," Loftus said. "They would have to take the walls down, inspect all the piping and then do it right. It would certainly be cheaper to do



A photo inside the new Woodward development shows a set of properly insulated pipes — HANDOUT



An example of uninsulated water pipes inside the walls at the Olympic village. Drywall has been installed over bare pipes — HANDOUT PHOTO

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Ballem said she wasn't told about any specific problems with the construction of the Olympic Village, only that a union had some concerns about quality control.

"This is the first I've heard of this," Ballem said when contacted by *The Province*. "If the concerns are true — and I have no evidence of whether they are or not — and they not being paid attention to, that's a concern for the city."

She said she will direct the city's project manager assigned to the Olympic Village development to consult with Millennium about the issue.

"Clearly this is a major concern for the developer because they will own the vast majority of the project — it is their development," Ballem said.

"To have a newspaper article saying we're building leaky condos is not great for anybody."

## Campbell confident

Senator Larry Campbell, who purchased two units at Millennium Water, didn't know about concerns over the pipe insulation but said he's confident the developer will fix any deficiency.

"I'm not concerned about it," Campbell said. "I have complete



The Olympic Athletes Village under construction at False Creek.

GERRY KAHRMANN — PROVINCE FILE PHOTO

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He did say he intends to check into the issue.

## A common problem

Andre Pachon, president of the B.C. Insulation Contractors Association, said contractors often bypass the building specifications that require insulation around pipes as a way to save time and money. He has ripped out ceilings in municipal and residential buildings to repair damage caused by condensation dripping from cold water pipes, and added insulation to hot water pipes that were left bare while cold water pipes were insulated properly.

"It's the last thing that should happen," Pachon said. "Without insulation, your heating costs go up and the building has a bigger carbon footprint, plus there's condensation problems that show up years later with mould and mildew."

"Everyone knows they should insulate pipes properly — they just don't do it."

Ontario-based mould remediation specialist Graham Dewar said if conditions are right, mould can begin to grow in a few weeks, but it may take months or years to be visible.

"You won't necessarily see it, but if it gets going, you'll definitely smell it — that mustiness," said Dewar, who was the senior project manager for a \$23-million mould removal and repair job on a provincial courthouse in Newmarket, Ont.

"I'm a huge supporter of the Olympics and I know Vancouver is under tremendous pressure to meet a deadline — I know it's a huge task, but if they aren't fully insulating the pipes, they're taking risks."

"It may or may not cause problems for the athletes, but long term, there's the potential for condensation to build and that's not going to be a good thing. I think they're making a grave mistake."

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# Home warranty offers owners little protection

B.C.'s Homeowner Protection Act outlines licensing requirements for home builders and establishes mandatory home warranty insurance for all new homes built after July 1, 1999.

The Homeowner Protection Office was created to protect consumers and improve residential construction practices in B.C.

Home warranty insurance must meet certain minimum standards, including:

- Two-year coverage on labour and materials, including defects related to delivery and distribution systems such as plumbing and heating;
- Five years on the building envelope, including defects that result in water penetration;
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Tony Gioventu, executive director of B.C.'s Condominium Home Owners' Association, said poorly insulated water pipes are not common.

"If the problem is discovered in the first two years, it would be covered by the home warranty insurance, but these kinds of problems may not show up for five, 10 or even 20 years."

He said townhouse owners may find uninsulated pipes inside walls when they do renovations, and then fix the problem at the same time.

## Meeting the LEED standard

Millennium Water, which will be home to the athletes during the 2010 Winter Games, is striving to become Canada's first multi-unit residential community to meet LEED Gold standards.

LEED — **Leadership in Energy and Environmental Design** — is a certification system that awards projects that meet high standards for sustainability. Using documentation collected by the developers and engineers, the Canada Green Building Council evaluates projects.

Projects have to meet high standards for environmental responsibility and energy efficiency.

While insulating heating pipes would save money on heat costs and improve energy efficiency, a development could still meet LEED standards based on total energy efficiency, according to Mark Hutchinson, LEED program director for the national building council.

All 16 residential buildings in the Millennium Water development are being built to meet LEED Gold standards. The community centre is aiming for LEED Platinum.

The project is scheduled to be completed on Oct. 1. A month later, on Nov. 1 the city hands over the development to VANOC for use as the Olympic Village during the Winter Games. The residences are to be returned to the City of Vancouver in April 2010 to be sold, rented and the commercial space leased.



# City councillor calls for probe

**OLYMPIC VILLAGE:** 'If there have been shortcuts, I would expect . . . a level of inspection'

BY IAN AUSTIN  
STAFF REPORTER

Vancouver Coun. Raymond Louie wants the Olympic Village developer to investigate serious allegations that the development may become plagued by mould.

Louie said Millennium Southeast False Creek Properties Ltd. should inspect hot- and cold-water pipes in the massive developments after *The Province* revealed that unwrapped pipes could cause mould and mildew inside the project that is being fast-tracked to provide housing for Olympic athletes in less than eight months' time.

"I expect the developer to ensure that the contractors and subcontractors do the job properly," said Louie.

"If there have been shortcuts, I would expect them to do a level of inspection."

"Depending on what they find, they might want to do further inspections."

Lee Loftus, business manager for the International Association of Heat and Frost Insulators and Allied Workers Union Local 118, provided photos and brought the substandard practices to the attention of Millennium Properties.

But, after little was done, Loftus alerted *The Province*, and yesterday the controversy was everywhere.

"It's been a zoo," said Loftus, fielding nonstop calls from media outlets and various contractors.

"The developer has called all the mechanical contractors, and the mechanical contractors have called the insulation contractors. There are threats of litigation already."

Despite the controversy, Loftus feels he did the right thing to protect both future condo owners and taxpayers, who could end up paying if substandard practices are permitted.

"We're glad we did it," said Loftus. "It's something that needed to be done."

The \$1-billion project has already made plenty of news — for all the wrong reasons.



COUN. RAYMOND LOUIE  
— PROVINCE FILES



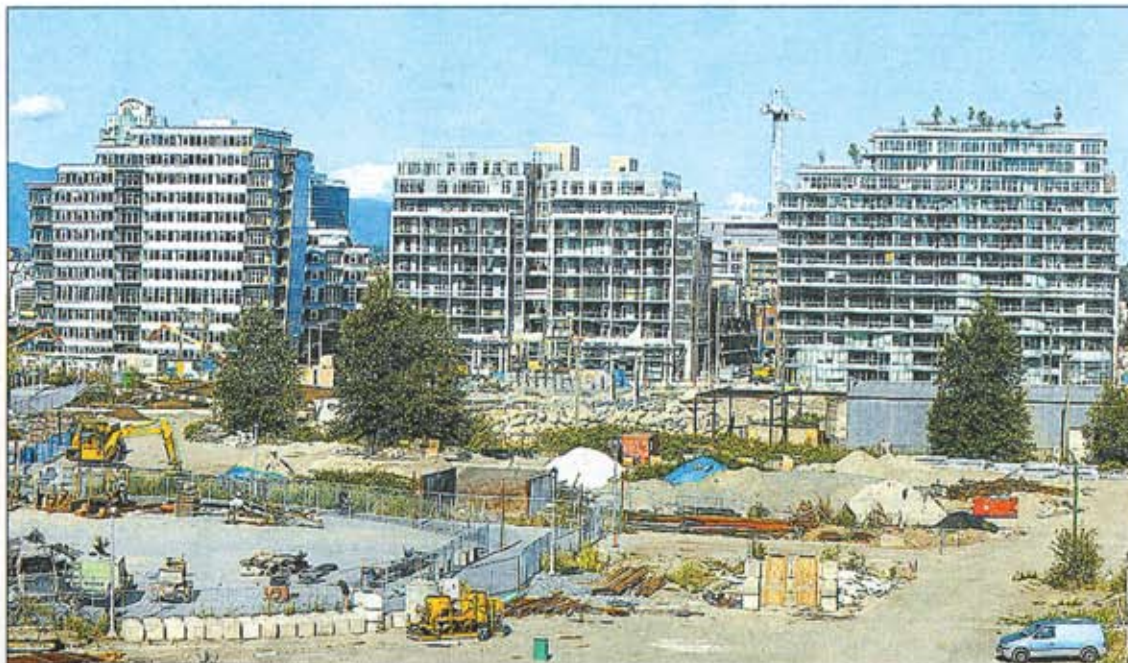
LEE LOFTUS  
— PROVINCE FILES

The City of Vancouver has already invested more than \$450 million to make sure the athlete's village is completed — money it hopes to recoup when the units are sold or rented after the Olympics.

The city was also forced to finance the development after buying out the troubled Fortress Investment Group earlier this year.

Wayne Peppard, executive director of the B.C. Building and Construction Trades Council, said he knows the developer is under close scrutiny and pressure with the tight Olympic timeline for completion.

The development is scheduled to be completed on Oct. 1. It is to be



Construction continues yesterday on the Olympic Athletes Village on the south shore of False Creek. The plagued project is scheduled for completion Oct. 1. RIC ERNST — THE PROVINCE

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handed over to the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games on Nov. 1.

"The schedule is tight — the pressure is on for completion," said Peppard. "I've been in this industry for 40 years, and I've seen these kinds of pressure, and things can happen."

"The urgency is there to get things done — there's always a potential for problems when the pressure is on."

New Democratic Party Olympic critic Kathy Corrigan said she hopes the Olympic legacy is facilities and buildings, not a huge debt load.

"The crunch is on, and that's a time when you can make costly mistakes or quality-control mis-

takes," said Corrigan. "We're supposed to have a legacy of buildings from the Olympics — I hope it's not a legacy of cost overruns."

"Most of us are excited about the Olympics, but at the end of the day, we're going to have to see whether this was a good expenditure of taxpayers' money."

Olympic executive Dan Doyle said he is still confident that the Olympic Village will be a successful venue to house athletes during next February's games.

"The City of Vancouver is a key partner and we're in constant contact regarding the southeast False Creek project," said Doyle, executive vice-president of venue construction for Vancouver 2010.



Photo shows wall insulation being placed over uninsulated hot and cold water pipes. — HANDOUT

"They are making excellent progress, and we have every confidence their team will continue to address any issues as they arise and deliver a spectacular home for the world's athletes in 2010."

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# Faulty insulation being repaired

**OLYMPIC VILLAGE:** Developer sees photographs, agrees there are 'areas of concern'

BY WENDY MCLELLAN  
STAFF REPORTER

After stalling for more than two weeks, Vancouver's Olympic Village developers and city officials met early yesterday with the union that blew the whistle on shoddy pipe insulation at the site.

The hastily arranged meeting between Millennium Development, the city and the International Association of Heat and Frost Insulators and Allied Workers Union Local 118 came after *The Province* learned that workers were tearing down walls at the site to wrap water pipes that should have been insulated before the drywall was put up.

*The Province* first reported allegations of improperly insulated water pipes at the Olympic Village site two weeks ago. Since then, the city and the developer have insisted there are no problems at the site, but they also wouldn't meet with the union to see their evidence.

That all changed yesterday.

"They said they wanted as much information as they can to identify problems and correct any that are there," said Lee Loftus, business manager for the Vancouver-based union local.

"They wouldn't agree there were problems, but they're going to investigate the photos and take care of any problems they can confirm."

Loftus said the union brought all of their photos to the meeting at a Denny's restaurant and described each example of poorly insulated pipes. Some of the photos show drywall installed over bare pipes, others show pipes that are insulated where they're visible outside the walls and others show pipes that are mostly insulated, but not completely.

Insulating hot-water pipes reduces energy loss; insulating cold-water pipes prevents condensation from pooling behind walls where it will create mould and mildew problems for condo owners a few years from now.



Construction continues at the Olympic athlete's village on the south side of False Creek in Vancouver. GERRY KAHRMANN FILE PHOTO — THE PROVINCE

Loftus said he agreed to provide more details today about the photographs so Millennium could direct its contractors to the problem areas.

Contractors have been at work the past couple of weeks, on wrapping pipes already hidden behind drywall. "They have been going at it in finished suites," according to one tradesman working on the Millennium Water development on Southeast False Creek. "We saw them taking down drywall, cutting through walls, and the insulators waiting to put in the insulation."

Several workers had reported the activity on the construction site, but were worried they would be fired if

their employer learned they had spoken to the media.

The union made the issue public after trying — and failing — to get the developer to respond to their concerns. *The Province* first reported the union's allegations June 28 and Millennium responded with a promise to review its construction-review process at the village.

Millennium's preliminary report was delivered to city hall July 3, showing no evidence of uninsulated water pipes. Millennium was expected to deliver a final report this Friday, and the city had promised to make the results public, but Roger Bayley, design manager for Millennium, said there will

not be a final report. He said the site will be continually assessed during the construction process.

"We have identified some areas the union had expressed concern about and instructed that those things be rectified," Bayley said.

After telling reporters last week the union's allegations were an "unsubstantiated rumour," Vancouver Mayor Gregor Robertson said yesterday the city had taken the issue seriously and, after the developer checked further, pipe-insulation problems were found.

"The issues raised by the union definitely moved us to further the due diligence and as a result of the cross-checking, we've identified

areas for improvement and the developer is making those improvements and giving new instructions to the contractors, so that taxpayers can rest assured that their investment is being managed appropriately," Robertson said.

After yesterday's meeting, Loftus said he is confident construction practices improved but only after the issue was brought to public attention.

"I believe construction practices have been better in the last couple of weeks, and I expect they will fix what wasn't done right," Loftus said. "I think this [publicity] has made a difference."

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## Union whistleblower says he just wants work done right

Lee Loftus didn't want to be a whistleblower about the quality of construction at Vancouver's Olympic Village, but when work continued on the development and improperly insulated water pipes kept disappearing behind drywall, the business manager for the International Association of Heat and Frost Insulators and Allied Workers Union Local 118 decided to share

his concerns with the public.

It was a tough decision and the consequences have been unexpected, and sometimes painful.

The day after *The Province* reported the issue, the union office handled dozens of calls from reporters, insulators and contractors. Union and non-union companies are working on the Millennium Development site, but Loftus was

accused of playing politics.

He has been threatened with a lawsuit and a colleague was harassed by angry drywallers. His concerns that condo owners would face mould and mildew problems and higher heating bills because of improperly insulated water pipes were dismissed as rumour-mongering.

Even local celebrity handyman Shell Busey weighed in, first criticizing the

union's allegations then, after meeting with Loftus and seeing the photos for himself, changed his mind. A week later, Loftus was invited to join Busey's radio program to talk about problems caused by condensation from uninsulated water pipes.

The story also generated a huge response from readers. Many of them congratulated the union and Loftus for coming forward; some

questioned Loftus's motivation.

"Of course we would like to do the work right," Loftus said. "If this can improve practices, and people get what they expect, I guess that will be the reward."

"Long term, I hope we'll get to the decision-makers and inspections will be done to maintain construction standards."

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had been put on a piece of pipe that we dealt with immediately," Jasper said in an interview Friday.

He said the site is being monitored and inspected by various inspectors, contractors and engineers and drywall could not be installed before every pipe was properly insulated.

The photos tell a different story. Jasper said he is not familiar with any photos other than the one taken in a parking garage.

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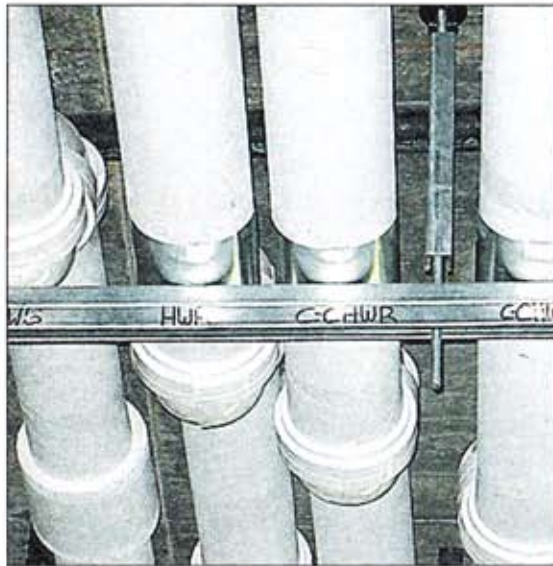
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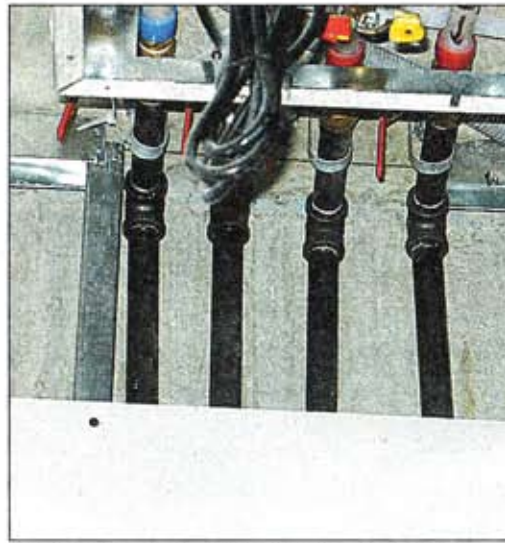
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