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TOP STORY

CT shoreline, RI may have concrete woes

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HARTFORD — During a recent crumbling foundation informational meeting, officials said it's possible that towns on the Connecticut shoreline and a home in Rhode Island have also been affected.

If true, Rhode Island would be the third affected New England state with tainted concrete from the now-defunct J.J. Mottes concrete company in Willington.

The revelations were made during an informational hearing at the Capitol, during which many real estate agents working in the impacted area asked questions regarding best practices for selling an affected or potentially affected home.

Dan Keune, president of the Connecticut Association of Realtors, said there has been a belief that concrete must be poured within a certain timeframe, limiting where J.J. Mottes concrete could have been used.

To date, J.J. Mottes is the only concrete provider known to have supplied aggregate containing pyrrhotite, the iron-sulfide mineral causing foundations to deteriorate.

Citing a barn in Ellington that has concrete supplied by a New Britain company, he said, "that theory blew up a long time ago because it turns out a lot of these places travel much further than you would expect."

Although concrete must be poured within a relatively small period of time from when it is mixed, some contractors will "dry deliver" and mix the concrete on site, Keune said.

He also said he's heard of a home in Rhode Island with concrete from J.J. Mottes.

However, John Patton, owner of the former concrete company, said Wednesday that his company has "never" dry delivered concrete material.

Furthermore, Michael Maglaras, the superintendent of the captive insurance company fixing crumbling foundations in Connecticut, said he has claimants in New Haven and Branford — municipalities that were previously thought not to be affected because they are located much farther away.

He stressed, however, that a claimant is not in line for payment, but has only applied. Whether the homes on the shoreline contain pyrrhotite has yet to be determined.

“Both of those claims are being looked at now, and there’s no indication yet that they’re actually valid claims,” Maglaras said. “Statistically, it’s not the beginning of a tsunami from towns that we wouldn’t expect.”

Maglaras continues to stress the importance of the State Bond Commission allocating the third round of \$20 million. Gov. Ned Lamont, who chairs the commission, ultimately decides what items are on the commission’s agenda.

With state bonding and a \$12 annual surcharge on homeowners’ insurance policies, Maglaras expects the captive to receive a total of \$125.5 million by the time the company sunsets in 2022. But as of Wednesday morning, there was already \$98.6 million of liabilities on the company’s balance sheet, which will likely drastically increase once condominium associations begin submitting claims.

“I’m going to run out of money when the condos hit,” Maglaras said, adding that he expects to hit the \$125.5 million in liabilities by February or March.

The captive is currently working on a total of 755 foundations, 97 of which are already lifted and having foundations replaced, Maglaras said, adding that fixed homes will soon be fully back on their municipal tax rolls.

Of the 755 claims filed, Maglaras said, 123 are in Tolland, 78 in Stafford, 41 in Coventry, 39 in Ellington, 22 in Ashford, and 73 in Vernon, which he expects to rise to 140 with condominiums.

Although former Gov. Dannel P. Malloy said there could be as many as 34,000 homes affected when he pleaded with the Federal Emergency Management Agency for help, Maglaras said the actual number is probably closer to 4,000 or 5,000 homes.

In total, he said, the cost to fix all affected homes could be less than \$600 million, rather than billions of dollars as some have predicted.

“This is a manageable problem,” Maglaras said. “This problem is fixable, I know it is because we’re fixing it today.”

However, he added that he’s doubtful more money will come from the state. Other sources, he said, could include funds from the federal government and a larger pool of insurance companies willing to contribute to the captive.

Further complicating the captive's finances is that it is set to cease on June 30, 2022, but a \$12 annual surcharge on homeowners' insurance policies will continue to be collected after that date.

Maglaras said it would not be practical for the captive to accept claims for a few months only to have to fire its employees and rehire them once the company has accrued enough money to resume operations.

While some wonder what, if any, is an acceptable level of pyrrhotite in concrete, Maglaras said that at the beginning of his tenure he decided not to set a minimum level in an effort to be as inclusive as possible.



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