



**Hetch Hetchy  
Regional Water System**

Services of the San Francisco Public Utilities Commission



**Hetch Hetchy Capital Improvement Program  
Project Labor Agreement  
Quarterly Report**

**October 1, 2023, through December 31, 2023  
(Second Quarter FY 2023-2024)**



SFPUC  
Infrastructure Division  
Workforce and Economic Program Services Bureau  
525 Golden Gate Avenue, 9th Floor  
San Francisco, CA 94102

San Francisco Public Utilities Commission  
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**Executive Summary**

**Contracting and Employment Highlights – Program to Date**

- Thirteen (13) construction contracts, with a combined value of \$355.8 million, have been awarded.
- 674,934 total craft hours have been worked by 1,708 workers who earned \$51.8 million in wages and benefits.
- The SFPUC Regional Service Territory consists of 251 ZIP Codes in seven counties outside of San Francisco. 658 Service Territory residents worked 260,612 hours (38.6%) and earned \$20.3 million in wages and benefits.
- 192 San Francisco residents worked 94,262 hours (14.0%) and earned \$6.1 on PLA-covered projects. Combined, San Francisco and Service Territory residents worked 354,874 hours, or 52.6% of all hours, exceeding the City’s Local Hiring requirement of 30%.
- 197 pre-employment substance abuse tests have been administered to employees cleared to work on HCIP projects as of December 31, 2023. Three people were prevented from working due to a non-negative test result.

**Table 1. Worker Highlights – Total Program**

Region of Worker Residence	Inception Through December 31, 2023		
	Hours	Wages & Benefits	Worker Count
Outside	320,060	\$ 25,440,734	877
San Francisco	94,262	\$ 6,062,950	192
Service Territory	260,612	\$ 20,297,037	658
<b>Grand Total</b>	<b>674,934</b>	<b>\$ 51,800,721</b>	<b>1,708</b>
<b>Comb. SF and Serv.</b>	<b>354,874</b>	<b>\$ 26,359,988</b>	<b>850</b>

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**Contracting and Employment Highlights – During the Quarter**

- No contracts were awarded during the quarter.
- 296 construction workers worked 57,774 hours and earned \$5.5 million in wages and benefits.
- 10 San Francisco residents worked 578 hours and earned over \$46 thousand in wages and benefits.
- 147 SFPUC Service Territory residents worked 26,113 hours and earned \$2.4 million in wages and benefits.
- 23 pre-employment substance abuse screenings were administered under the provisions of the PLA’s Substance Abuse Policy.

**Table 2. Summary of Craft Worker Employment During the Quarter**

Region of Worker Residence	Three Months Ending December 31, 2023		
	Hours	Wages & Benefits	Worker Count
Outside	31,084	\$ 3,090,694	139
San Francisco	578	\$ 46,723	10
Service Territory	26,113	\$ 2,348,361	147
<b>Grand Total</b>	<b>57,774</b>	<b>\$ 5,485,778</b>	<b>296</b>
<b>Comb. SF and Serv.</b>	<b>26,690</b>	<b>\$ 2,395,084</b>	<b>157</b>

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**Table 3. List of HCIP Construction Contracts**

- Thirteen (13) construction contracts, with a combined value of \$355.8 million, have been awarded.

Sorted by Award Date (newest to oldest)

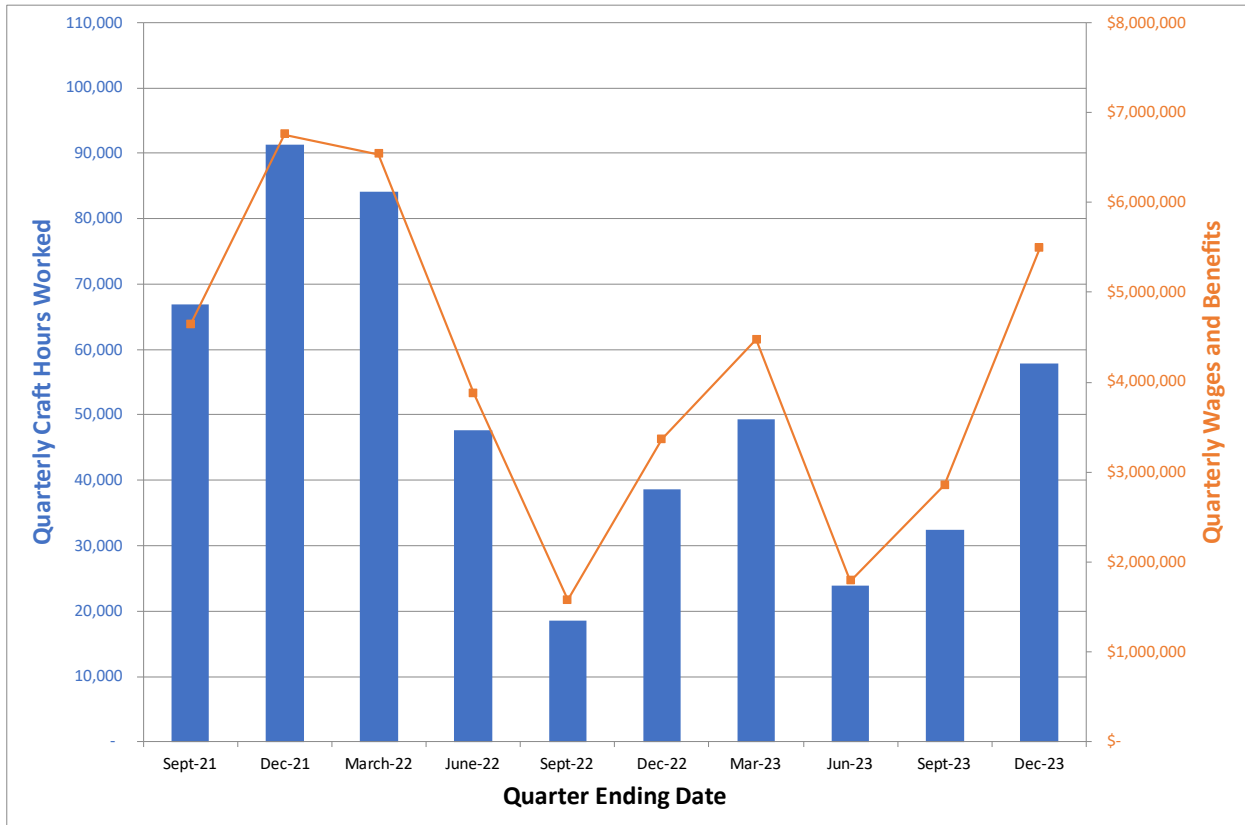
<b>HSIP Construction Contracts</b>				
<b>Inception through December 31, 2023</b>				
<b>Contract</b>	<b>Project</b>	<b>Award Date</b>	<b>Prime Contractor</b>	<b>Original</b>
DB-135	O'Shaughnessy Dam New Bulkhead System	6/13/2023	Alltech Engineering Corp	\$ 9,857,000
HH-1011	O'Shaughnessy Dam Instream Flow Release Valve Replacement	6/13/2023	Sierra Mountain Construction, Inc	\$ 5,960,000
HH-1006	San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1B	8/23/2022	Mountain Cascade, Inc.	\$ 11,801,808
HH-1007	Transmission Line 7/8 Upgrades	6/28/2022	Wilson Utility Construction Company	\$ 23,980,141
HH-1005	San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	3/8/2022	Sierra Mountain Construction, Inc	\$ 10,799,504
HH-1002R	O'Shaughnessy Dam Fall Protection Improvements and Spillway Access	6/8/2021	Mountain Cascade, Inc	\$ 1,498,687
DB-121R2	Moccasin Powerhouse Generator Rehabilitation	5/11/2021	GE Renewable US LLC	\$ 26,271,805
HH-1000R	Mountain Tunnel Improvements Project	10/13/2020	Michels Tunneling	\$ 138,973,189
HH-1001	Moccasin Reservoir Perimeter Security Fence	5/12/2020	Mountain Methods, Inc	\$ 1,364,290
DB-130	Bay Corridor Transmission and Distribution - Phase 3	4/28/2020	Beta Engineering California, LP	\$ 56,668,701
DB-129.2	Bay Corridor Transmission & Distribution - Phase 2 (2019) South	3/10/2020	Anvil Builders Inc.	\$ 29,280,870
DB-129.1	Bay Corridor Transmission & Distribution - Phase 2 (2019) North	2/11/2020	Mitchell Engineering	\$ 24,058,409
DB-128R2	Bay Corridor Transmission and Distribution - Phase 1	4/25/2017	A&B Construction	\$ 15,283,930
<b>13 Projects</b>				<b>\$ 355,798,334</b>

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## Summary Tables and Charts

### Chart 1. Craft Hours and Wages

- During the quarter, construction workers worked 57,774 hours and earned \$5,485,778 in wages and benefits.



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**Table 4. Craft Utilization Table**

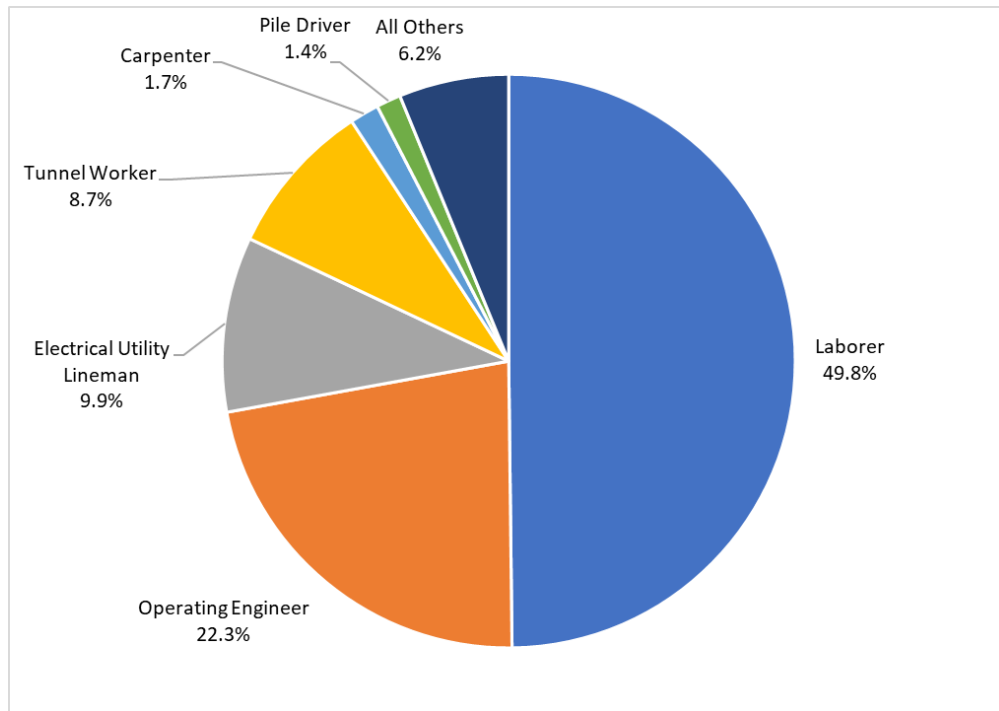
The table below reflects the values of hours and wages for each trade and the relative percentages of each as compared to the HCIP program’s overall totals.

- Contractors reported construction craft hours in 17 craft worker classifications.
- Laborers, Operating Engineers, Electrical Utility Linemen, Tunnel Workers, Carpenters and Pile Drivers worked 93.8% of all hours, with 633,055 combined hours worked.

<b>Cumulative Employment by Craft</b>				
<b>Inception Through December 31, 2023</b>				
Craft	Total Hours	Total Wages	% Craft Hours of Total Hours	% Wages of Total Wages
Laborer	336,204	\$ 20,909,104	49.8%	40.4%
Operating Engineer	150,711	\$ 13,373,746	22.3%	25.8%
Electrical Utility Lineman	66,643	\$ 6,894,592	9.9%	13.3%
Tunnel Worker	59,007	\$ 5,222,643	8.7%	10.1%
Carpenter	11,160	\$ 992,450	1.7%	1.9%
Pile Driver	9,331	\$ 800,608	1.4%	1.5%
<b>Top 6 Crafts Sub-Total</b>	<b>633,055</b>	<b>\$ 48,193,143</b>	<b>93.8%</b>	<b>93.0%</b>
Electrician	6,790	\$ 826,358	1.0%	1.6%
Iron Worker	6,041	\$ 526,778	0.9%	1.0%
Cement Mason	4,754	\$ 336,568	0.7%	0.6%
Roofer	2,910	\$ 214,317	0.4%	0.4%
Stator Rewinder	1,824	\$ 78,084	0.3%	0.2%
Plumber	1,368	\$ 107,927	0.2%	0.2%
Painter	1,335	\$ 77,404	0.2%	0.1%
Field Surveyor	381	\$ 45,256	0.1%	0.1%
Building/Construction Inspector	143	\$ 12,420	0.0%	0.0%
<b>Remaining Apprenticeable Sub-Total</b>	<b>25,544</b>	<b>\$ 2,225,112</b>	<b>3.8%</b>	<b>4.3%</b>
Driver	14,351	\$ 1,247,151	2.1%	2.4%
Teamster	1,984	\$ 135,316	0.3%	0.3%
<b>Total Non-Apprenticeable</b>	<b>16,334</b>	<b>\$ 1,382,467</b>	<b>2.4%</b>	<b>2.7%</b>
<b>Grand Total</b>	<b>674,934</b>	<b>\$ 51,800,721</b>	<b>100.0%</b>	<b>100.0%</b>

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**Chart 2. Craft Utilization Pie Chart**





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**Table 5. Worker Residence by County**

- When comparing the counties where workers are from, San Francisco residents worked 14.0% of all construction hours and earned over \$6 million in wages and benefits, as reported in the City’s online certified payroll reporting system, LCPtracker, Inc.

<b>HCIP-PLA Employment by Top 20 Counties of Residence Through December 31, 2023</b>			
<b>County</b>	<b>Total Craft Hours</b>	<b>Wages &amp; Benefits</b>	<b>% Craft Hours</b>
Tuolumne County	121,435	\$ 9,448,564	18.0%
<b>San Francisco County</b>	<b>94,262</b>	<b>\$ 6,062,950</b>	<b>14.0%</b>
Alameda County	77,810	\$ 5,746,679	11.5%
Contra Costa County	63,533	\$ 4,208,777	9.4%
Stanislaus County	58,706	\$ 4,805,827	8.7%
Calaveras County	28,642	\$ 2,456,957	4.2%
San Joaquin County	25,696	\$ 1,906,746	3.8%
San Mateo County	13,979	\$ 1,036,072	2.1%
Merced County	13,561	\$ 1,025,630	2.0%
Solano County	10,470	\$ 858,451	1.6%
Santa Clara County	9,957	\$ 925,225	1.5%
Sacramento County	6,544	\$ 528,828	1.0%
San Bernardino County	6,493	\$ 580,975	1.0%
Mariposa County	5,450	\$ 339,362	0.8%
Lake County	5,363	\$ 462,464	0.8%
Butte County	5,153	\$ 369,962	0.8%
Los Angeles County	4,885	\$ 346,724	0.7%
Riverside County	4,616	\$ 311,877	0.7%
Placer County	4,179	\$ 460,685	0.6%
Yuba County	4,153	\$ 365,760	0.6%
<b>Top 20 CA Counties</b>	<b>564,885</b>	<b>\$ 42,248,516</b>	<b>83.7%</b>
All Other CA Counties	26,446	\$ 2,145,076	3.9%
Out of State	83,603	\$ 7,407,129	12.4%
<b>Grand Total</b>	<b>674,934</b>	<b>\$ 51,800,721</b>	<b>100.0%</b>

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**Table 6. Worker Residence by Project**

- HH-1011 - O'Shaughnessy Dam Instream Flow Release Valve Replacement has the highest local worker participation to date on HCIP, with Service Territory workers having worked 96.7% of the project's total hours.

Sorted by San Francisco and Service Territory Total Percent

Project	Hours						
	Outside	San Francisco	Service Territory	Grand Total	San Francisco	Service Territory	SF and Serv
HH-1011 - O'Shaughnessy Dam Instream Flow Release Valve Replacement	10	-	293	303	0.0%	96.7%	96.7%
HH-1001 - Moccasin Reservoir Perimeter Security Fence	1,012	-	4,784	5,796	0.0%	82.5%	82.5%
HH-1005 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	2,669	-	6,455	9,124	0.0%	70.7%	70.7%
HH-1000R - Mountain Tunnel Improvements Project	106,089	276	172,704	279,069	0.1%	61.9%	62.0%
DB-128R2 - Bay Corridor Transmission and Distribution - Phase 1	29,325	25,372	16,814	71,510	35.5%	23.5%	59.0%
HH-1002R - O'Shaughnessy Dam Fall Protection Improvements and Spillway Access	803	-	986	1,789	0.0%	55.1%	55.1%
DB-129.2 - Bay Corridor Transmission & Distribution - Phase 2 (2019) South	54,188	32,145	23,334	109,668	29.3%	21.3%	50.6%
HH-1006 - San Joaquin Pipelines Valve and Safe Entry Phase 1B	1,597	29	1,525	3,150	0.9%	48.4%	49.3%
DB-129.1 - Bay Corridor Transmission & Distribution - Phase 2 (2019) North	23,871	12,774	4,835	41,480	30.8%	11.7%	42.5%
HH-1007 - Transmission Line 7/8 Upgrades	25,627	26	15,812	41,465	0.1%	38.1%	38.2%
DB-130 - Bay Corridor Transmission and Distribution - Phase 3 (2019)	68,047	23,640	12,066	103,753	22.8%	11.6%	34.4%
DB-121R2 - Moccasin Powerhouse Generator Rehabilitation	6,643	-	1,005	7,647	0.0%	13.1%	13.1%
DB-135 - O'Shaughnessy Dam New Bulkhead System	181	-	-	181	0.0%	0.0%	0.0%
<b>Grand Total</b>	<b>320,060</b>	<b>94,262</b>	<b>260,612</b>	<b>674,934</b>	<b>14.0%</b>	<b>36.2%</b>	<b>50.1%</b>

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**Apprentice Data**

The California Division of Apprenticeship Standards (DAS) consults with employers to develop a skilled workforce with viable career pathways to increase productivity and strengthen California’s economy. DAS minimum ratios requires apprentices be utilized in the ratios applicable to each craft, generally one apprentice hour to every five journeymen hours at the end of the project. However, an employer can and is encouraged to employ an apprentice as the second person on the job whenever possible and allowed by the apprenticeship program standards.

**Table 7. Apprentice Utilization by Craft**

- On HCIP, 10.5% of the hours in apprenticeable trades have been worked by apprentices.
- Painters have utilized the most apprentices, with 37.0% of all hours being worked by apprentices.
- Apprentice Laborers have worked 12.0% of their craft’s 336,204 total hours.

Craft	Apprentice Hours	Journey Hours	Total Hours	Apprentice Percentage of Craft Total (Apprentice/Total)
Painter	494	841	1,335	37.0%
Pile Driver	3,236	6,095	9,331	34.7%
Cement Mason	1,299	3,455	4,754	27.3%
Carpenter	2,287	8,873	11,160	20.5%
Iron Worker	959	5,082	6,041	15.9%
Laborer	40,504	295,700	336,204	12.0%
Tunnel Worker	4,565	54,442	59,007	7.7%
Operating Engineer	11,142	139,569	150,711	7.4%
Electrical Utility Lineman	4,197	62,446	66,643	6.3%
Electrician	386	6,404	6,790	5.7%
Building/Construction Inspector	4	139	143	2.8%
Field Surveyor	-	381	381	0.0%
Plumber	-	1,368	1,368	0.0%
Roofer	-	2,910	2,910	0.0%
Stator Rewinder	-	1,824	1,824	0.0%
<b>Apprenticeable Subtotal</b>	<b>69,072</b>	<b>589,528</b>	<b>658,600</b>	<b>10.5%</b>
Driver	-	14,351	14,351	0.0%
Teamster	-	1,984	1,984	0.0%
<b>Grand Total</b>	<b>69,072</b>	<b>605,862</b>	<b>674,934</b>	<b>10.2%</b>

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**Table 8. Apprentice Utilization by Project**

The table below lists HCIP Projects sorted by Percentage of Apprentice Utilization from highest to lowest. The total Apprentice Utilization for the entire HCIP is 10.2%.

- HH-1002R O’Shaughnessy Dam Fall Protection Improvements and Spillway Access has the highest apprentice utilization ratio, with 32.3% of all hours worked by apprentices.

Project Name	Apprentice Hours	Journey Hours	Grand Total	Appr. Utilization %
HH-1002R - O’Shaughnessy Dam Fall Protection Improvements and Spillway Access	579	1,210	1,789	32.3%
HH-1001 - Moccasin Reservoir Perimeter Security Fence	1,393	4,403	5,796	24.0%
HH-1006 - San Joaquin Pipelines Valve and Safe Entry Phase 1B	618	2,533	3,150	19.6%
HH-1005 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	1,365	7,759	9,124	15.0%
HH-1007 - Transmission Line 7/8 Upgrades	5,698	35,768	41,465	13.7%
DB-121R2 - Moccasin Powerhouse Generator Rehabilitation	969	6,679	7,647	12.7%
DB-129.2 - Bay Corridor Transmission & Distribution - Phase 2 (2019) South	13,383	96,285	109,668	12.2%
HH-1000R - Mountain Tunnel Improvements Project	27,296	251,773	279,069	9.8%
DB-130 - Bay Corridor Transmission and Distribution - Phase 3 (2019)	9,176	94,577	103,753	8.8%
HH-1011 - O’Shaughnessy Dam Instream Flow Release Valve Replacement	27	277	303	8.7%
DB-129.1 - Bay Corridor Transmission & Distribution - Phase 2 (2019) North	3,167	38,313	41,480	7.6%
DB-128R2 - Bay Corridor Transmission and Distribution - Phase 1	5,405	66,105	71,510	7.6%
DB-135 - O’Shaughnessy Dam New Bulkhead System	-	181	181	0.0%
<b>Grand Total</b>	<b>69,072</b>	<b>605,862</b>	<b>674,934</b>	<b>10.2%</b>

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**Substance Abuse Prevention**

The PLA requires pre-employment alcohol and drug testing for all covered employees. The policy also allows testing where the contractor has reasonable cause to believe that the employee has used drugs or alcohol, and mandates testing where a contractor concludes that an employee was under the influence of drugs or alcohol at the time of an accident.

**Table 9. Workers’ Pre-Employment Clearance Data**

- 197 pre-employment tests have been on HCIP with a total non-negative screening rate of **1.5%**.
- During the quarter, 23 pre-employment substance abuse screenings were administered, and no individuals were prevented from working as the result of a non-negative test.

<b>HCIP - Covered by PLA Substance Abuse Testing Summary</b> Tests Administered to Individuals Cleared to Work Through 12/31/2023	
Project	Number Cleared
HH-1000R - Mountain Tunnel Improvement Project	144
HH-1007 - Transmission Line 7/8 Upgrades	31
DB-129.1 - Bay Corridor Transmission and Distribution – Phase 2 (2019) North	13
HH-1001 - Moccasin Reservoir Perimeter Security Fence	9
<b>Total Cleared</b>	<b>197</b>

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**History of the WSIP PLA and SSIP Extension Agreement**

On April 8, 2003, the San Francisco Board of Supervisors adopted Resolution 223-03 urging the SFPUC to develop plans for a Project Labor Agreement covering the capital improvement program to rehabilitate, repair, and upgrade the Hetch Hetchy Water System.

On May 20, 2003, the San Francisco Board of Supervisors adopted Resolution 350-03 urging the SFPUC to include social justice components in the Project Labor Agreement covering the Hetch Hetchy Water System upgrade.

On May 11, 2006, the San Francisco Board of Supervisors amended the San Francisco Administrative Code to establish a PUC Small firm Advisory Committee to provide for the certification of small construction contractors located outside San Francisco and within the SFPUC service territory for work on SFPUC construction projects, including those covered by the WSIP PLA.

On March 28, 2006, the SFPUC adopted Resolution No. 06-0049 to authorize SFPUC staff to commence negotiations with the various craft labor unions for a project labor agreement covering the Water System Improvement Program. Resolution No. 06-0049 concluded that the governmental interests of the SFPUC were furthered by a project labor agreement as follows:

“There are numerous advantages in moving forward on the negotiation of a PLA, which include but are not limited to the following: creates framework for labor harmony; militates against construction delays; assures steady supply of qualified labor; provides employment, career, and local business opportunities; and other benefits ...”

On March 26, 2007, the SFPUC approved the negotiated agreement. The PLA requires construction contractors to utilize workers dispatched by signatory unions, and prohibits the unions and contractors from participating in strikes, lockouts, or other disruptions to the work. The PLA provides a procedure for adjudicating conflicting jurisdictional claims between the unions, provides for uniform hours of work, overtime, shifts and holidays, encourages the recruitment and training of low-income residents of the SFPUC service territory, and requires substance abuse testing for all covered workers. The first implementation of the PLA was on the WD-2504 Stanford Heights Reservoir Seismic Retrofit and Improvement project, which the SFPUC awarded to S.J. Amoroso Construction Company, LLC., on June 26, 2007, in the amount of \$17,899,960.

In 2008, the Commission approved Addendum No. 1 of the Agreement, which extended the Agreement to the Advanced Meter Infrastructure (AMI) project.

In May 2016, the Commission approved an Extension Agreement, which applied the terms of the PLA, as modified in the Extension Agreement, to Sewer System Improvement Program (SSIP) projects and the AWSS Pumping Station 2 project.

### **Governance and Certified Payroll Reporting System**

The parties to the PLA have established a four-person Joint Administrative Committee (JAC) that reviews the implementation and progress of the PLA and provides guidance to questions or concerns that arise in connection with the PLA. The Workforce and Economic Program Services team, within the SFPUC's Infrastructure Division, administers the PLA under the advisement of the JAC.

Prior to the commencement of construction, representatives of participating contractors and subcontractors, the unions, and SFPUC staff, are required to attend a PLA Pre-Job Conference. At the conference, the general contractor and subcontractors must present their scope of work and make work assignments to the respective unions based on traditional craft jurisdictional lines. When conflicting claims for work are submitted to a contractor, the corresponding Jurisdictional Dispute Resolution procedures identified in the PLA, as specified for the trades involved, is invoked so as to prevent delay or disruption of the work.

All SFPUC construction projects utilize the City's authorized labor compliance reporting program, currently the web-based system, LCPtracker, Inc. The data from the certified payroll records collected by LCPtracker, Inc., has been compiled to produce the information in this report.