

A horizontal bar composed of three segments: blue on the left, grey in the middle, and yellow on the right.

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

**January 1, 2024, through March 31, 2024
(Third Quarter FY 2023-2024)**

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

San Francisco Public Utilities Commission
Hetch Hetchy Capital Improvement Program Project Labor Agreement
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Executive Summary

Contracting and Employment Highlights – Program to Date

- Sixteen (16) construction contracts, with a combined value of \$379.9 million, have been awarded.
- 738,508 total craft hours have been worked by 1,857 workers who earned \$57.3 million in wages and benefits.
- The SFPUC Regional Service Territory consists of 251 ZIP Codes in seven counties outside of San Francisco. 740 Service Territory residents worked 294,744 hours (39.9%) and earned \$23.3 million in wages and benefits.
- 198 San Francisco residents worked 95,817 hours (13.0%) and earned \$6.2 million on PLA-covered projects. Combined, San Francisco and Service Territory residents worked 390,561 hours, or 52.9% of all hours, exceeding the City’s Local Hiring requirement of 30%.
- 210 pre-employment substance abuse tests have been administered to employees cleared to work on HCIP projects as of March 31, 2024. 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 March 31, 2024		
	Hours	Wages & Benefits	Worker Count
Outside	347,947	\$ 27,846,381	940
San Francisco	95,817	\$ 6,189,974	198
Service Territory	294,744	\$ 23,298,577	740
Grand Total	738,508	\$ 57,334,932	1,857
Comb. SF and Serv.	390,561	\$ 29,488,551	938

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Contracting and Employment Highlights – During the Quarter

- Three contracts were awarded during the quarter.
 - HH-1009 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 3 – Tesla Surge Tower was awarded to Mountain Cascade, Inc., for \$11,051,305.
 - HH-1010 - Moccasin Wastewater Treatment Plant Replacement was awarded to Sierra Mountain Construction, Inc., for \$7,507,640.
 - HH-1012 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 2A was awarded to Sierra Mountain Construction, Inc., for \$5,602,000.

- 349 construction workers worked 63,574 hours and earned \$5.5 million in wages and benefits.

- 18 San Francisco residents worked 1,555 hours and earned over \$127 thousand in wages and benefits.

- 183 SFPUC Service Territory residents worked 34,132 hours and earned \$3 million in wages and benefits.

- 10 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 March 31, 2024		
	Hours	Wages & Benefits	Worker Count
Outside	27,887	\$ 2,405,647	148
San Francisco	1,555	\$ 127,024	18
Service Territory	34,132	\$ 3,001,540	183
Grand Total	63,574	\$ 5,534,211	349
Comb. SF and Serv.	35,687	\$ 3,128,564	201

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Table 3. List of HCIP Construction Contracts

- Sixteen (16) construction contracts, with a combined value of \$379.9 million, have been awarded.

Sorted by Award Date (newest to oldest)

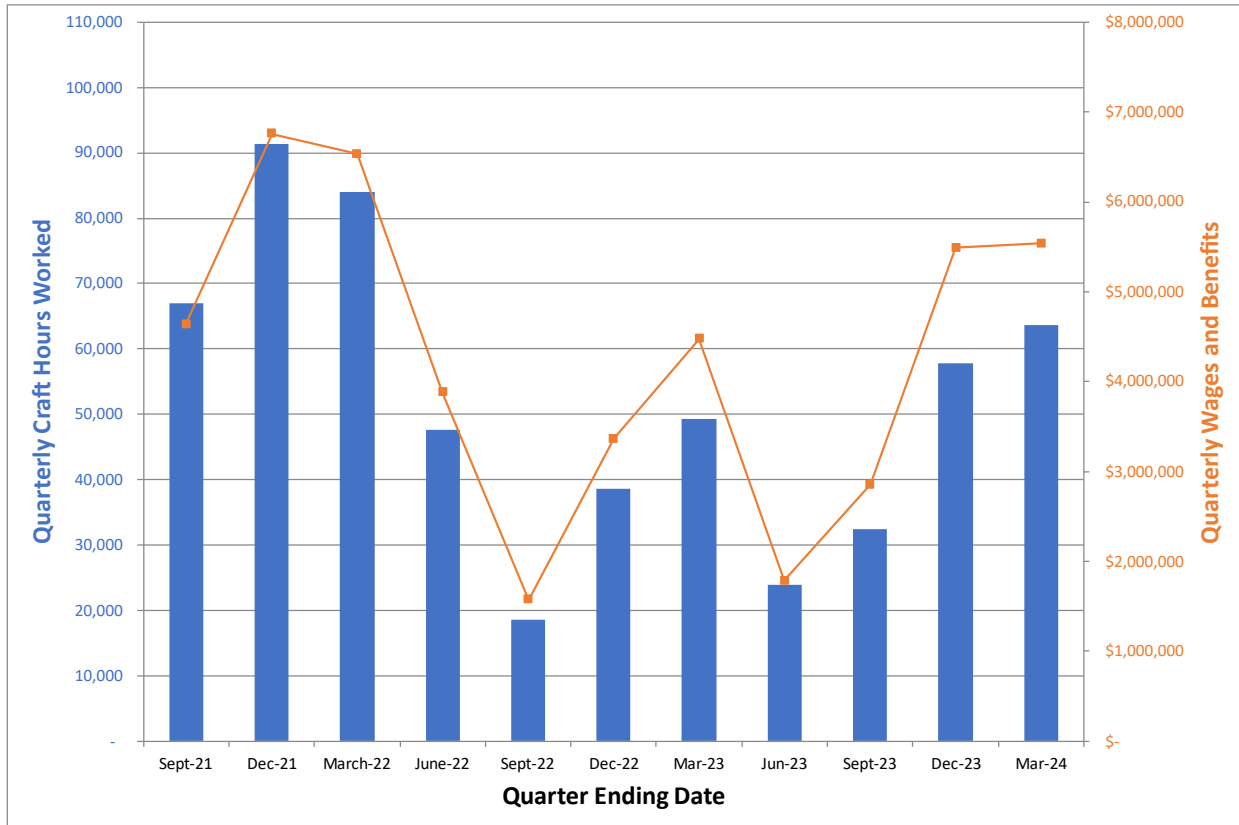
HSIP Construction Contracts				
Contract	Project	Award Date	Prime Contractor	Original
HH-1012	San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 2A	2/27/2024	Sierra Mountain Construction, Inc	\$ 5,602,000
HH-1010	Moccasin Wastewater Treatment Plant Replacement	2/27/2024	Sierra Mountain Construction, Inc	\$ 7,507,640
HH-1009	San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 3 – Tesla Surge Tower	1/9/2024	Mountain Cascade, Inc	\$ 11,051,305
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
16 Projects				\$ 379,959,279

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Summary Tables and Charts

Chart 1. Craft Hours and Wages

- During the quarter, construction workers worked 63,574 hours and earned \$5,534,211 in wages and benefits.



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Table 4. Craft Utilization Table

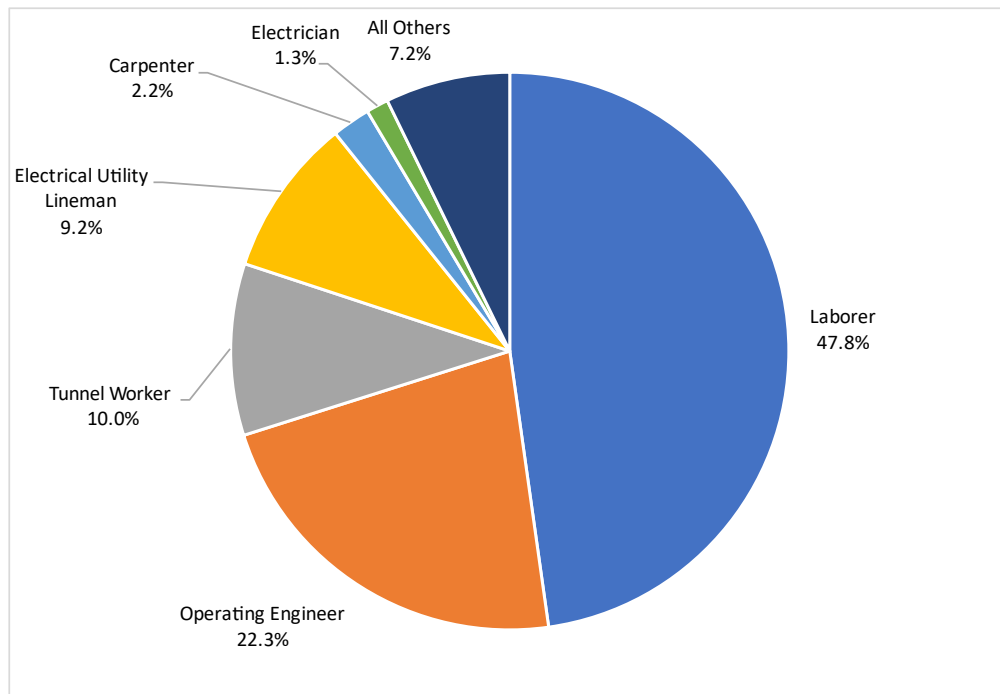
The table below reflects the values of hours and wages for each trade and the relative percentages of each as compared to the HCIP program’s overall totals.

- Contractors reported construction craft hours in 17 craft worker classifications.
- Laborers, Operating Engineers, Tunnel Workers, Electrical Utility Linemen, Carpenters and Electricians worked 92.8% of all hours, with 685,131 combined hours worked.

Cumulative Employment by Craft				
Inception Through March 31, 2024				
Craft	Total Hours	Total Wages	% Craft Hours of Total Hours	% Wages of Total Wages
Laborer	352,803	\$ 22,044,424	47.8%	38.4%
Operating Engineer	165,016	\$ 14,879,761	22.3%	26.0%
Tunnel Worker	73,540	\$ 6,623,863	10.0%	11.6%
Electrical Utility Lineman	67,844	\$ 7,041,163	9.2%	12.3%
Carpenter	16,408	\$ 1,492,782	2.2%	2.6%
Electrician	9,520	\$ 1,059,082	1.3%	1.8%
Top 6 Crafts Sub-Total	685,131	\$ 53,141,074	92.8%	92.7%
Pile Driver	9,331	\$ 800,608	1.3%	1.4%
Iron Worker	6,641	\$ 579,618	0.9%	1.0%
Cement Mason	5,246	\$ 375,950	0.7%	0.7%
Stator Rewinder	4,570	\$ 191,431	0.6%	0.3%
Painter	4,486	\$ 340,552	0.6%	0.6%
Roofer	2,910	\$ 214,317	0.4%	0.4%
Plumber	2,173	\$ 153,535	0.3%	0.3%
Building/Construction Inspector	780	\$ 72,820	0.1%	0.1%
Field Surveyor	433	\$ 51,986	0.1%	0.1%
Remaining Apprenticeable Sub-Total	36,567	\$ 2,780,818	5.0%	4.9%
Driver	14,468	\$ 1,250,660	2.0%	2.2%
Teamster	2,342	\$ 162,381	0.3%	0.3%
Total Non-Apprenticeable	16,810	\$ 1,413,041	2.3%	2.5%
Grand Total	738,508	\$ 57,334,932	100.0%	100.0%

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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 13.0% of all construction hours and earned \$6.2 million in wages and benefits, as reported in the City’s online certified payroll reporting system, LCPtracker, Inc.

HCIP-PLA Employment by Top 20 Counties of Residence Through March 31, 2024			
County	Total Craft Hours	Wages & Benefits	% Craft Hours
Tuolumne County	138,219	\$ 10,979,904	18.7%
San Francisco County	95,817	\$ 6,189,974	13.0%
Alameda County	79,097	\$ 5,861,585	10.7%
Contra Costa County	67,457	\$ 4,518,380	9.1%
Stanislaus County	67,455	\$ 5,592,110	9.1%
Calaveras County	31,644	\$ 2,784,477	4.3%
San Joaquin County	30,696	\$ 2,325,030	4.2%
Merced County	15,712	\$ 1,209,270	2.1%
San Mateo County	14,711	\$ 1,098,630	2.0%
Solano County	12,485	\$ 999,695	1.7%
Santa Clara County	10,625	\$ 974,803	1.4%
Sacramento County	8,784	\$ 701,572	1.2%
San Bernardino County	7,564	\$ 676,958	1.0%
Mariposa County	6,041	\$ 379,529	0.8%
Lake County	5,363	\$ 462,464	0.7%
Placer County	5,268	\$ 566,444	0.7%
Butte County	5,153	\$ 369,962	0.7%
Los Angeles County	4,885	\$ 346,724	0.7%
Riverside County	4,616	\$ 311,877	0.6%
Yuba County	4,600	\$ 408,826	0.6%
Top 20 CA Counties	616,190	\$ 46,758,213	83.4%
All Other CA Counties	30,686	\$ 2,527,886	4.2%
Out of State	91,632	\$ 8,048,834	12.4%
Grand Total	738,508	\$ 57,334,932	100.0%

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Table 6. Worker Residence by Project

- HH-1001 - Moccasin Reservoir Perimeter Security Fence and HH-1011 – O’Shaughnessy Dam Instream Flow Release Valve Replace have the highest local worker participation to date on HCIP, with Service Territory workers having worked 82.5% of the project’s total hours.

Sorted by San Francisco and Service Territory Total Percent

Project	Hours				San Francisco	Service Territory	SF and Serv
	Outside	San Francisco	Service Territory	Grand Total			
HH-1001 - Moccasin Reservoir Perimeter Security Fence	1,012	-	4,784	5,796	0.0%	82.5%	82.5%
HH-1011 - O’Shaughnessy Dam Instream Flow Release Valve Replacement	662	-	3,119	3,781	0.0%	82.5%	82.5%
HH-1005 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	5,031	-	13,379	18,410	0.0%	72.7%	72.7%
HH-1000R - Mountain Tunnel Improvements Project	116,650	276	188,563	305,489	0.1%	61.7%	61.8%
DB-128R2 - Bay Corridor Transmission and Distribution - Phase 1	29,325	25,372	16,814	71,510	35.5%	23.5%	59.0%
HH-1006 - San Joaquin Pipelines Valve and Safe Entry Phase 1B	6,565	1,081	8,152	15,798	6.8%	51.6%	58.4%
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%
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	26,712	36	15,974	42,722	0.1%	37.4%	37.5%
DB-130 - Bay Corridor Transmission and Distribution - Phase 3 (2019)	69,103	24,133	12,188	105,424	22.9%	11.6%	34.5%
DB-121R2 - Moccasin Powerhouse Generator Rehabilitation	13,847	-	2,616	16,462	0.0%	15.9%	15.9%
DB-135 - O’Shaughnessy Dam New Bulkhead System	181	-	-	181	0.0%	0.0%	0.0%
Grand Total	347,947	95,817	294,744	738,508	13.0%	32.5%	45.5%

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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, 10.9% of the hours in apprenticeable trades have been worked by apprentices.
- Painters have utilized the most apprentices, with 41.4% of all hours being worked by apprentices.
- Apprentice Laborers have worked 12.4% of their craft’s 352,803 total hours.

Craft	Apprentice Hours	Journey Hours	Total Hours	Apprentice Percentage of Craft Total (Apprentice/Total)
Painter	1,856	2,630	4,486	41.4%
Pile Driver	3,236	6,095	9,331	34.7%
Cement Mason	1,306	3,940	5,246	24.9%
Carpenter	3,138	13,270	16,408	19.1%
Iron Worker	1,137	5,504	6,641	17.1%
Electrician	1,614	7,906	9,520	17.0%
Laborer	43,843	308,961	352,803	12.4%
Tunnel Worker	6,085	67,455	73,540	8.3%
Operating Engineer	12,141	152,875	165,016	7.4%
Electrical Utility Lineman	4,269	63,575	67,844	6.3%
Building/Construction Inspector	7	774	780	0.8%
Field Surveyor	-	433	433	0.0%
Plumber	-	2,173	2,173	0.0%
Roofer	-	2,910	2,910	0.0%
Stator Rewinder	-	4,570	4,570	0.0%
Apprenticeable Subtotal	78,629	643,070	721,698	10.9%
Driver	-	14,468	14,468	0.0%
Teamster	-	2,342	2,342	0.0%
Grand Total	78,629	659,879	738,508	10.6%

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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 10.6%.

- 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-1005 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	4,744	13,666	18,410	25.8%
HH-1001 - Moccasin Reservoir Perimeter Security Fence	1,393	4,403	5,796	24.0%
HH-1011 - O’Shaughnessy Dam Instream Flow Release Valve Replacement	539	3,242	3,781	14.3%
HH-1007 - Transmission Line 7/8 Upgrades	5,781	36,941	42,722	13.5%
HH-1006 - San Joaquin Pipelines Valve and Safe Entry Phase 1B	2,057	13,741	15,798	13.0%
DB-129.2 - Bay Corridor Transmission & Distribution - Phase 2 (2019) South	13,383	96,285	109,668	12.2%
DB-121R2 - Moccasin Powerhouse Generator Rehabilitation	1,688	14,775	16,462	10.3%
HH-1000R - Mountain Tunnel Improvements Project	30,692	274,797	305,489	10.0%
DB-130 - Bay Corridor Transmission and Distribution - Phase 3 (2019)	9,203	96,221	105,424	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%
Grand Total	78,629	659,879	738,508	10.6%

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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

- 210 pre-employment tests have been on HCIP with a total non-negative screening rate of **1.4%**.
- During the quarter, 10 pre-employment substance abuse screenings were administered, and no individuals were prevented from working as the result of a non-negative test.

HCIP - Covered by PLA Substance Abuse Testing Summary Tests Administered to Individuals Cleared to Work Through 03/31/2024	
Project	Number Cleared
HH-1000R - Mountain Tunnel Improvement Project	154
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
Total Cleared	207

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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.

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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.