

**NOTICE OF PUBLIC HEARING**  
**(Issued on May 11, 2012)**

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION (SFPUC)**  
**TO CONSIDER REVISIONS TO**  
**WATER SYSTEM IMPROVEMENT PROGRAM (WSIP)**

**Tuesday - June 12, 2012**  
**1:30 P.M.**  
**City Hall, Room 400**  
**1 Dr. Carlton B. Goodlett Place**  
**San Francisco California**

**SUBJECT OF PUBLIC MEETING**

The San Francisco Public Utilities Commission (SFPUC) will hold a public hearing as part of its regularly scheduled meeting on Tuesday, June 12, 2012 for the purpose of considering proposed revisions to the Water System Improvement Program (WSIP).

**COMMENTS ON PROPOSED REVISIONS**

All interested parties are invited to attend the public hearing and present their views. Individuals who are unable to attend the public hearing may submit to the SFPUC, by the time the proceedings begin on June 12, 2012, written comments regarding the subject of the hearing. These comments will be brought to the attention of the Commission and will become part of the official public record. Written comments should be sent to:

Donna Hood, Commission Secretary  
San Francisco Public Utilities Commission  
1155 Market Street (11th Floor)  
San Francisco, CA 94103

**BACKGROUND**

The Wholesale Regional Water System Security and Reliability Act (Water Code § 73500 *et seq.*) requires that the SFPUC provides notification of certain program changes. An advance 30-day written notice is required if the SFPUC is to consider the adoption of program changes that would delay WSIP projects and/or result in the construction of different projects.

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**Francesca Vietor**  
Commissioner

**Vince Courtney**  
Commissioner

**Ed Harrington**  
General Manager

The SFPUC last adopted revisions to the WSIP, including revised program scope, schedule and budget on July 12, 2011. This notice includes schedule changes to the New Irvington Tunnel (NIT) project, the Bay Division Pipeline (BDPL) Reliability Upgrade - Pipeline project and the Pulgas Balancing - Modification of the Existing Dechloramination Facility project. It should be noted that the overall program cost and completion date are unchanged and remain \$4.59 billion and July 29, 2016 respectively.

The project completion date approved in July 2011 for the NIT project is October 31, 2014 and the project completion date proposed herein is January 21, 2016, resulting in a 447-day (1-year and 3-month) extension. The project completion date approved in July 2011 for the BDPL Reliability Upgrade - Pipeline project is March 5, 2013 and the project completion date proposed herein is October 1, 2013, resulting in a 210-day (7-month) extension. The project completion date approved in July 2011 for the Pulgas Balancing – Modification of the Existing Dechloramination Facility project is May 30, 2012 and the project completion date proposed herein is March 20, 2013, resulting in a 294-day (10-month) extension.

## **CHANGE DESCRIPTION**

### **New Irvington Tunnel (NIT)**

As of the end of April 2012, construction of the 18,300 feet NIT is 51 percent complete. A Notice to Proceed (NTP) for construction of the project was issued on August 26, 2010. The original contract duration was 1,390 consecutive calendar days. On December 13, 2011, the SFPUC Commission authorized the General Manager to consider, and if appropriate to approve modifications to the NIT construction contract, with cumulative time extensions not to exceed 400 total additional consecutive calendar days. As of the end of April 2012, the contractor has been granted 236 of the 400 days as part of approved change orders. Contract extensions were approved for the following reasons:

- Delays associated with differing site conditions such as harder rock encountered during excavation than documented in the contract, and a soil nail wall failure and repairs due to unanticipated poor material for soil nail anchorages;
- Delays associated with the reclassification of the tunnel from Potentially Gassy to Fully Gassy by the California Occupations Safety and Health Administration (Cal-OSHA), and the need to revise the tunnel ventilation system at four tunnel headings and institute full-time monitoring for gas; and
- Delays associated with required probe hole drilling and grouting for groundwater seepage control in the tunnel excavation headings.

Considering that more than half the allowable 400 days have been granted already and given the likelihood of more differing site conditions and schedule impacts due to continued operations under gassy tunnel conditions, it is anticipated that the cumulative extensions at the end of the construction contract may approach 400 days.

The construction phase of the revised project schedule proposed herein includes all 400 additional days pre-approved by the Commission. The revised schedule also provides 6 months for the closeout phase, whereas the currently approved schedule only allowed 4.5 months. The following table shows the proposed schedule changes to the project's major phases.

New Irvington Tunnel	Approved (July 2011)		Proposed (June 2012)		Variance at Completion (Days)
	Start	Finish	Start	Finish	
Planning	19-Dec-01	7-Oct-05	19-Dec-01	7-Oct-05	0
Environmental	25-Aug-04	7-Mar-11	25-Aug-04	7-Mar-11	0
Design	11-Oct-05	12-Jan-10	11-Oct-05	12-Jan-10	0
Bid & Award	5-Jan-09	21-Jul-10	5-Jan-09	21-Jul-10	0
Construction	31-Mar-09	15-Jun-14	31-Mar-09	20-Jul-15	400
Closeout	16-Jun-14	31-Oct-14	21-Jul-15	21-Jan-16	447

**Bay Division Pipeline (BDPL) Reliability Upgrade - Pipeline**

The BDPL Reliability Upgrade – Pipeline project originally consisted of two major construction contracts: BDPL No. 5 East Bay reaches and BDPL No. 5 Peninsula reaches. As of the end of April, construction on the BDPL No. 5 East Bay reaches has been completed, while construction on the BDPL No. 5 Peninsula reaches is 88 percent complete.

Following the discovery of an extensive archeological burial site in the vicinity of Cordilleras Creek in the Peninsula during construction, a 1,400-foot segment of BDPL No. 5 was deleted from the BDPL No. 5 Peninsula reaches construction contract. It was determined to be more efficient, expeditious and cost effective to build a micro-tunnel under this environmentally sensitive segment of the BDPL No. 5 and to perform the work under a separate contract. The NTP for this third contract was issued on February 13, 2012 and the contract has a construction duration of 365 days.

Although construction on both original contracts will complete within the currently approved schedule, the addition of a third contract to address the area impacted by the archeological discovery near Cordilleras Creek has delayed completion of the project’s construction and closeout phases 177 days and 210 days, respectively, as reflected in the table below:

BDPL Reliability Upgrade - Pipeline	Approved (July 2011)		Proposed (June 2012)		Variance at Completion (Days)
	Start	Finish	Start	Finish	
Planning	19-Dec-01	31-May-06	19-Dec-01	31-May-06	0
Environmental	18-Nov-04	12-Feb-10	18-Nov-04	12-Feb-10	0
Design	3-Jan-06	17-Aug-09	3-Jan-06	17-Aug-09	0
Bid & Award	22-Apr-09	9-Mar-10	22-Apr-09	9-Mar-10	0
Construction	4-Jan-10	7-Sep-12	4-Jan-10	3-Mar-13	177
Closeout	8-Feb-12	5-Mar-13	4-Mar-13	1-Oct-13	210

**Pulgas Balancing – Modification of the Existing Dechloramination Facility**

As of the end of April 2012, construction of the dechloramination improvements at the Pulgas Balancing Reservoir is 94 percent completed. A NTP for construction of the project was issued on September 22, 2010. The original contract duration was 360 consecutive calendar days. Non-recoverable delays beyond the project’s currently approved completion date are forecasted for the following reasons:

- Differing as-built conditions requiring realignment of some piping;
- Required design modifications to meet established facility performance criteria;
- Equipment delivery delays due to flooding events in Thailand, which is the location of some of the equipment suppliers; and
- Outstanding issues with contractor’s compliance with Office Labor Standard Enforcement requirements. It should be noted that the original construction contractor on this project defaulted on its contractual obligations after the start of construction activities and had to be replaced. The transition of construction activities to a new contractor was completed successfully.

In addition to extending construction phase duration by 355 days, an allocation of 4 months for the closeout phase is being proposed, resulting in a net 294-day extension to the project completion date as reflected in the table below:

Pulgas Balancing - Modification of Exist Dechlor Facility	Approved (July 2011)		Proposed (June 2012)		Variance at Completion (Days)
	Start	Finish	Start	Finish	
Planning	2-Apr-07	17-Mar-09	2-Apr-07	17-Mar-09	0
Environmental	19-Nov-07	4-Mar-10	19-Nov-07	4-Mar-10	0
Design	2-Jan-09	12-Mar-10	2-Jan-09	12-Mar-10	0
Bid & Award	29-Jan-10	22-Sep-10	29-Jan-10	22-Sep-10	0
Construction	22-Sep-10	30-Nov-11	22-Sep-10	19 Nov 12	355
Closeout	1-Dec-11	30-May-12	20-Nov-12	20 Mar-13	294