

File No. 130516

Committee Item No. 1

Board Item No. 26

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 07/24/2013

Board of Supervisors Meeting

Date: July 30, 2013

Cmte Board

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OTHER

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Completed by: Victor Young

Date July 19, 2013

Completed by: Victor Young

Date 7/25/13

7/10/13

FILE NO. 130516

RESOLUTION NO.

1 [Emergency Contract - Repair SFPUC HHP Holm Powerhouse Unit 1 - Not to Exceed
2 \$521,465.07]

3 **Resolution approving an emergency public work contract of the San Francisco Public**
4 **Utilities Commission (SFPUC) under San Francisco Administrative Code Section 6.60**
5 **to replace the HHP Holm Powerhouse Unit 1 (HPH1) with a contract amount not to**
6 **exceed \$521,465.07.**

7 WHEREAS, On July 31, 2012, the HPH1 tripped off-line due to a sudden pressure
8 change on the transformer bank and was taken out-of-service for technical investigation by
9 SFPUC technicians; and

10 WHEREAS, On August 1, 2012, the investigation detected combustible gasses trapped
11 in the oil on phases A, B, and C of the HPH1 due to the deterioration of the transformer,
12 insulation; and

13 WHEREAS, If the insulation in phases A, B, and C was not replaced prior to
14 the transformer being returned to service, the high level of combustible gasses could lead to
15 an explosion of the transformer, which would represent an unacceptable threat to employee
16 safety, a risk of an oil spill into Cherry Creek, and an endangerment of the public's health and
17 welfare; and

18 WHEREAS, San Francisco Administrative Code, Chapter 6, Article IV, section 6.60,
19 authorizes department heads responsible for public work to award an emergency contract,
20 exempt from the competitive bidding process, in the event of an actual emergency which is
21 defined to include, " ... The breakdown or imminent breakdown of any plant, equipment,
22 structure, street or public work necessitating immediate emergency repair or reconditioning to
safeguard the lives or property of the citizens, or the property of the City and County, or to
maintain the public health and welfare..."; and

1 WHEREAS, On September 6, 2012, the SFPUC General Manager declared an
2 emergency, approved by the President of the San Francisco Public Utilities Commission, to
3 repair the HPH1 and thereby protect public health and safety; and,

4 WHEREAS, Administrative Code Section 6.60(D) requires that the General Manager
5 immediately notify the Controller, and seek Board of Supervisors approval of emergency
6 public works with an estimated cost in excess of \$250,000; and,

7 WHEREAS, The emergency work to replace the insulation in Phases A, B, and C of
8 the HPH1 was completed on February 12, 2013, for a cost of \$521,465.07; and,

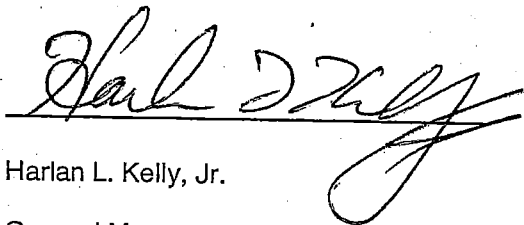
9 WHEREAS, The Controller has certified that funds are available for this emergency
10 work and contract; now, therefore, be it

11 RESOLVED, That the Board of Supervisors approves the emergency work under
12 Administrative Code Section 6.60, for replacement of the insulation in Phases A, B, and C of
13 the HPH1 with a contract amount not to exceed \$521,465.07; and, be it

14 FURTHER RESOLVED, That actions taken to date by the San Francisco Public
15 Utilities Commission to secure such emergency contracts and resolve the emergency
16 condition are hereby ratified.

17
18 RECOMMENDED:

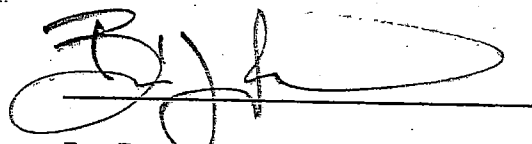
FUNDS AVAILABLE:

19
20 

21 Harlan L. Kelly, Jr.

22 General Manager

23 San Francisco Public Utilities Commission

24
25 

Ben Rosenfield, Controller

Item 1
File 13-0516
(continued on July 10, 2013)

Department:
Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve an emergency public work contract for the San Francisco Public Utilities Commission (PUC) in accordance with Administrative Code Section 6.60 to replace the insulation in the Phases A and C transformers of Hetch Hetchy Power Holm Powerhouse Unit 1 (HPH1), which was completed on January 17, 2013, for a not to exceed amount of \$521,465.

Key Points

- On July 31, 2012, HPH1 automatically shutdown to protect the transformer from further damage due to a sudden pressure change in the transformer. On August 23, 2012, the PUC retained Systems 3 to remove and monitor the oil from the transformers for Delta Star, Inc. (Delta Star) to determine the cause of problem. Delta Star determined that the increase of combustible gasses was due to the deterioration of the transformer insulation in the Phase A and Phase C transformers.
- On September 6, 2012, the PUC General Manager declared an emergency to repair the Phases A and C transformers of the HPH1. PUC decided to also rehabilitate the Phase B transformer because all three phases were manufactured at the same time 15 years ago and given that all three phases showed deterioration now.
- On February 12, 2013, the repairs to the Phases A, B, and C transformers of the HPH1 was completed by Delta Star.

Fiscal Impacts

- Delta Star provided an original estimate of \$732,517 which included rewinding the transformer, which entails replacing the main components of the transformer. The total project cost was \$521,465, because rewinding was not required. To date, the PUC has paid Delta Star \$250,000.
- The funding for the project is PUC's FY 2012-13 capital budget, which is funded by power revenues.

Recommendations

- On July 10, 2013, the Budget and Finance Committee amended the proposed resolution on Page 2, lines 9 and 10 to reflect (a) the correct completion date of February 12, 2013, instead of January 17, 2013, and (b) that the repairs included work on all three transformer Phases A, B, and C, instead of only the Phases A and C transformers.
- Approve the proposed resolution as amended.

MANDATE STATEMENT/BACKGROUND

Mandate Statement

In accordance with Administrative Code Section 6.60, an emergency contract awarded by a City department that exceeds \$250,000 requires approval by the Board of Supervisors. Administrative Code provisions also authorize department heads responsible for such emergency work to award and proceed with emergency contracts, which are not subject to the City's regular competitive bidding procedures. The Administrative Code defines an emergency as a sudden, unforeseeable and unexpected occurrence or a discovery of a condition involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss or damage to, life, health, property or essential public services.

Background

The San Francisco Public Utilities Commission's (PUC) Hetch Hetchy Water and Power Project (HHWP) is a hydro power generating system located in Tuolumne County, California, which consists of two hydro-generators, the Hetch Hetchy Power Holm Powerhouse Unit 1 (HPH1) and the Hetch Hetchy Power Holm Powerhouse Unit 2 (HPH2). The HPH1 transformer bank¹ consists of three transformers, Phase A, B, and C, all of which must be in service to produce generation from HPH1. HPH1 produces about 360,000,000 kilowatt hours per year of the total 1,700,000,000 kilowatt hours per year, or approximately 21% of the clean hydro-generation that HHWP produces.

On July 31, 2012, the HPH1 tripped offline, or automatically shut off to protect the transformer from further damage, due to a sudden pressure change on the transformer bank. On August 1, 2012, HHWP crews performed oil tests on the transformer bank and detected combustible gasses trapped in the oil insulation on the Phases A and C transformers. According to Mr. Ed Harrington, then General Manager at the PUC, the Institute of Electrical and Electronics Engineers (IEEE) standards recommend combustible gasses less than 720 parts per million (ppm) for continued use. On August 1, 2012, HHWP crews found that the combustible gasses had increased from 88 ppm on April 20, 2012, to 9,197 ppm in the Phase A transformer and to 1,061 ppm in the Phase C transformer. According to Ms. Margaret Hannaford, Division Manager of HHWP, because the Phase A and Phase C transformers were not in compliance with the IEEE standards, the HPH1 remained out of service.²

¹ A transformer is essential for the transmission, distribution, and utilization of electrical energy and is a device used to change the voltage of an alternating current in one circuit to a different voltage in a second circuit. The HPH1 generates energy at 13.8 kilovolts, and the HPH1 transformer bank transforms the energy to 230 kilovolts to transmit the energy to and interconnect with the California electrical grid.

² The shutdown of HPH1 did not affect the PUC's ability to generate electricity from HPH2 and the three other PUC powerhouses. During the outage between July 1, 2012 and February 12, 2013, the PUC provided electricity from the remaining HHWP hydro-generating units and the City and County of San Francisco (CCSF) deferred energy account available to HHWP through their CCSF-Pacific Gas & Electric Interconnection Agreement.

On August 2, 2012, PUC contacted Delta Star, Inc. (Delta Star), the original manufacturer of the transformer to support HHWP staff in their investigation of the cause of the problem. Based on these initial investigations, on August 23, 2012, the PUC then retained another contractor, Systems 3, with whom PUC had an existing contract for HHWP repairs to remove and monitor the oil from the transformers for Delta Star to determine the cause of problem. Delta Star determined that the increase of combustible gasses was due to the deterioration of the transformer insulation in the Phase A and Phase C transformers.³ According to Ms. Hannaford, insulation deterioration is a common failure of older transformers, which were 15 years old at the time of failure.

On September 6, 2012, Delta Star inspected the transformers and informed PUC that remedies to the insulation deterioration included (a) replacing the transformer entirely or (b) rewinding the transformer, which entails replacing the main components of the transformer. As a result, on September 6, 2012, the PUC General Manager declared an emergency to repair the Phase A and Phase C transformers of the HPH1 and awarded an emergency contract to Delta Star in an amount not-to-exceed \$732,517.

According to Ms. Hannaford, Delta Star provided an original estimate of \$732,517 which included the price for rewinding the transformers. However, during the week of October 30, 2012, Delta Star determined that Phase A transformer only required rehabilitation of the core, one component of the transformer, and not rewinding of the transformer. During the week of November 26, 2012, the Phase A transformer was returned and the Phase C transformer was removed for rehabilitation. Delta Star determined the Phase C transformer only required rehabilitation of the core and not rewinding of the transformer. During the week of December 24, 2012, the Phase C transformer was returned and the Phase B transformer was removed for rehabilitation. According to Ms. Hannaford, the PUC decided to rehabilitate the Phase B transformer at this time because all three phases had been manufactured at the same time 15 years ago and given that all three phases showed deterioration now. During the week of January 21, 2013, the Phase B transformer was returned. According to Ms. Hannaford, all of the HPH1 repairs on the Phases A, B, and C transformers were completed on February 12, 2013, for a total cost of \$521,465.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an emergency public work contract awarded by the PUC to Delta Star in accordance with Administrative Code Section 6.60, to replace the insulation in the Phases A and C transformers of the Hetch Hetchy Power Holm Powerhouse Unit 1 (HPH1), which was completed on January 17, 2013, in the amount of \$521,465.

³ If the core of a transformer is poorly insulated, a type of current called an eddy current is created which leads to localized overheating. This overheating generates combustible gasses in the transformer insulating oil, and the presence of these gasses caused the sudden pressure change on the transformer bank leading HPH1 to automatically shut down.

However, as noted above, the HPHI repairs, which also included work on the Phase B transformer, were finally completed on February 12, 2013. Therefore, the proposed resolution should be amended on Page 2, lines 9 and 10 to specify the work to all three transformer Phases A, B, and C and to specify the February 12, 2013 completion date.

FISCAL IMPACTS

As shown in the Table below, to date, Delta Star has submitted invoices to PUC totaling \$521,465. According to Ms. Hannaford, all of the repairs to the HPHI were completed on February 12, 2013, such that no additional expenditures will be incurred.

Total Actual Expenditures to Date

Item	Total Expenditures
Labor	\$156,811
Equipment	320,408
Materials	11,300
Tax	32,946
Total	\$521,465

As noted above, the original estimate provided by Delta Star was \$732,517, but rewinding the Phase A and C transformers was later determined to be unnecessary, such that the total cost was \$521,465, which is \$211,052 less than originally estimated. To date, PUC has paid Delta Star \$250,000. Ms. Hannaford advises that if the proposed resolution is approved, the PUC will pay Delta Star the balance owed of \$271,465 (\$521,465 total less \$250,000 already paid).

According to Ms. Cheryl Sperry, Principal Administrative Analyst with PUC, the funding for this emergency work was PUC's FY 2012-13 capital budget, as previously appropriated by the Board of Supervisors.

RECOMMENDATIONS

1. On July 10, 2013, the Budget and Finance Committee amended the proposed resolution on Page 2, lines 9 and 10 to reflect (a) the correct completion date of February 12, 2013, instead of January 17, 2013, and (b) that the repairs included work on all three transformer Phases A, B, and C, instead of only the Phases A and C transformers.
2. Approve the proposed resolution as amended.

Item 4
File 13-0516

Departments:
Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve an emergency public work contract for the San Francisco Public Utilities Commission (PUC) in accordance with Administrative Code Section 6.60 to replace the insulation in the Phases A and C transformers of Hetch Hetchy Power Holm Powerhouse Unit 1 (HPH1), which was completed on January 17, 2013, for a not to exceed amount of \$521,465.

Key Points

- On July 31, 2012, HPH1 automatically shutdown to protect the transformer from further damage due to a sudden pressure change in the transformer. On August 23, 2012, the PUC retained Systems 3 to remove and monitor the oil from the transformers for Delta Star, Inc. (Delta Star) to determine the cause of problem. Delta Star determined that the increase of combustible gasses was due to the deterioration of the transformer insulation in the Phase A and Phase C transformers.
- On September 6, 2012, the PUC General Manager declared an emergency to repair the Phases A and C transformers of the HPH1. PUC decided to also rehabilitate the Phase B transformer because all three phases were manufactured at the same time 15 years ago and given that all three phases showed deterioration now.
- On February 12, 2013, the repairs to the Phases A, B, and C transformers of the HPH1 was completed by Delta Star.

Fiscal Impacts

- Delta Star provided an original estimate of \$732,517 which included rewinding the transformer, which entails replacing the main components of the transformer. The total project cost was \$521,465, because rewinding was not required. To date, the PUC has paid Delta Star \$250,000.
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MANDATE STATEMENT/BACKGROUND**Mandate Statement**

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Background

The San Francisco Public Utilities Commission's (PUC) Hetch Hetchy Water and Power Project (HHWP) is a hydro power generating system located in Tuolumne County, California, which consists of two hydro-generators, the Hetch Hetchy Power Holm Powerhouse Unit 1 (HPH1) and the Hetch Hetchy Power Holm Powerhouse Unit 2 (HPH2). The HPH1 transformer bank¹ consists of three transformers, Phase A, B, and C, all of which must be in service to produce generation from HPH1. HPH1 produces about 360,000,000 kilowatt hours per year of the total 1,700,000,000 kilowatt hours per year, or approximately 21% of the clean hydro-generation that HHWP produces.

On July 31, 2012, the HPH1 tripped offline, or automatically shut off to protect the transformer from further damage, due to a sudden pressure change on the transformer bank. On August 1, 2012, HHWP crews performed oil tests on the transformer bank and detected combustible gasses trapped in the oil insulation on the Phases A and C transformers. According to Mr. Ed Harrington, then General Manager at the PUC, the Institute of Electrical and Electronics Engineers (IEEE) standards recommend combustible gasses less than 720 parts per million (ppm) for continued use. On August 1, 2012, HHWP crews found that the combustible gasses had increased from 88 ppm on April 20, 2012, to 9,197 ppm in the Phase A transformer and to 1,061 ppm in the Phase C transformer. According to Ms. Margaret Hannaford, Division Manager of HHWP, because the Phase A and Phase C transformers were not in compliance with the IEEE standards, the HPH1 remained out of service.²

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On August 2, 2012, PUC contacted Delta Star, Inc. (Delta Star), the original manufacturer of the transformer to support HHWP staff in their investigation of the cause of the problem. Based on these initial investigations, on August 23, 2012, the PUC then retained another contractor, Systems 3, with whom PUC had an existing contract for HHWP repairs to remove and monitor the oil from the transformers for Delta Star to determine the cause of problem. Delta Star determined that the increase of combustible gasses was due to the deterioration of the transformer insulation in the Phase A and Phase C transformers.³ According to Ms. Hannaford, insulation deterioration is a common failure of older transformers, which were 15 years old at the time of failure.

On September 6, 2012, Delta Star inspected the transformers and informed PUC that remedies to the insulation deterioration included (a) replacing the transformer entirely or (b) rewinding the transformer, which entails replacing the main components of the transformer. As a result, on September 6, 2012, the PUC General Manager declared an emergency to repair the Phase A and Phase C transformers of the HPH1 and awarded an emergency contract to Delta Star in an amount not-to-exceed \$732,517.

According to Ms. Hannaford, Delta Star provided an original estimate of \$732,517 which included the price for rewinding the transformers. However, during the week of October 30, 2012, Delta Star determined that Phase A transformer only required rehabilitation of the core, one component of the transformer, and not rewinding of the transformer. During the week of November 26, 2012, the Phase A transformer was returned and the Phase C transformer was removed for rehabilitation. Delta Star determined the Phase C transformer only required rehabilitation of the core and not rewinding of the transformer. During the week of December 24, 2012, the Phase C transformer was returned and the Phase B transformer was removed for rehabilitation. According to Ms. Hannaford, the PUC decided to rehabilitate the Phase B transformer at this time because all three phases had been manufactured at the same time 15 years ago and given that all three phases showed deterioration now. During the week of January 21, 2013, the Phase B transformer was returned. According to Ms. Hannaford, all of the HPH1 repairs on the Phases A, B, and C transformers were completed on February 12, 2013, for a total cost of \$521,465.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an emergency public work contract awarded by the PUC to Delta Star in accordance with Administrative Code Section 6.60, to replace the insulation in the Phases A and C transformers of the Hetch Hetchy Power Holm Powerhouse Unit 1 (HPH1), which was completed on January 17, 2013, in the amount of \$521,465.

³ If the core of a transformer is poorly insulated, a type of current called an eddy current is created which leads to localized overheating. This overheating generates combustible gasses in the transformer insulating oil, and the presence of these gasses caused the sudden pressure change on the transformer bank leading HPH1 to automatically shut down.

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According to Ms. Cheryl Sperry, Principal Administrative Analyst with PUC, the funding for this emergency work was PUC's FY 2012-13 capital budget, as previously appropriated by the Board of Supervisors.

RECOMMENDATIONS

1. Amend the proposed resolution on Page 2, lines 9 and 10 to reflect (a) the correct completion date of February 12, 2013, instead of January 17, 2013, and (b) that the repairs included work on all three transformer Phases A, B, and C, instead of only the Phases A and C transformers.
2. Approve the proposed resolution as amended.



**San Francisco
Water Power Sewer**

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 12th Floor
San Francisco, CA 94102
T 415.554.0743
F 415.554.3161
TTY 415.554.3488

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Erin Hagan, Policy and Government Affairs Manager

DATE: May 20, 2013

SUBJECT: Resolution approving Declaration of Emergency to repair two transformers at the Holm Powerhouse of the Hetch Hetchy Power Facilities in an amount not-to-exceed \$521,465.07

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2013 MAY 22 AM 10:00

Attached please find a resolution approving two SFPUC contracts for repairs to the Holm Powerhouse of the Hetch Hetchy Power Facility. The entire packet includes:

1. Board resolution signed by the General Manager and the Controller
2. General Manager's declarations of emergency for Holm Powerhouse presented at the September 6, 2012 SFPUC Commission Meeting.

Please contact us if you need any additional information on these items.

Edwin M. Lee
Mayor

Art Torres
President

Vince Courtney
Vice President

Ann Moller Caen
Commissioner

Francesca Viotor
Commissioner

Anson Moran
Commissioner

Harlan L. Kelly, Jr.
General Manager





September 6, 2012

INTER-OFFICE MEMORANDUM

TO: Anson Moran
 President

FROM: Ed Harrington *Ed Harrington*
 General Manager

SUBJECT: Declaration of Emergency - Repair of HHP facilities:
 Failure of Two Transformers at Holm Powerhouse on Unit 1

In accordance with Chapter 6, Article IV, Section 6.60(D) of the Administrative Code of the City and County of San Francisco, I am declaring an emergency on behalf of the Public Utilities Commission.

On July 31, 2012 the HHP Holm Powerhouse Unit 1 (HPH1) tripped off-line. The alarm from the unit indicated a sudden pressure change on the transformer bank. There are three transformers in the transformer bank: Phase A, Phase B and Phase C. Due to the type of alarm, Holm Unit 1 was taken out-of-service and technicians were called to investigate prior to putting the unit back in-service.

On August 1, 2012 HHP crews performed oil tests on the transformer bank and detected combustible gasses "trapped" in the oil on phases A and C. Tested biannually, the combustible gasses had increased from 88 parts per million (ppm) on April 20, 2012 to 9197 ppm on August 1, 2012. Combustible gasses in Phase C were at 1061 ppm. Institute of Electrical and Electronics Engineers standards¹ recommend combustible gasses less than 720 ppm for continued use. Potential consequences of returning a transformer to service with high combustible gasses could be explosion of the transformer. Potential explosion of the transformer represents an unacceptable threat to employee safety and a risk of an oil spill into Cherry Creek.

HHP required assistance from an outside vendor to determine the cause of the increased gasses. The vendor mobilized on September 4, 2012 and determined that the transformer insulation had deteriorated in Phase A and Phase C and must be replaced.

This request for emergency declaration is for resources to perform the repair work beyond the capabilities of City forces as soon as possible and is not anticipated to exceed \$1.5 million.

Edwin M. Lee
 Mayor

Anson Moran
 President

Art Torres
 Vice President

Ann Moller Gaen
 Commissioner

Francesca Vietor
 Commissioner

Vince Courtney
 Commissioner

Ed Harrington
 General Manager

¹ IEEE standard C57.104-2008, Section 5, Table 2.



Declaration of Emergency
Holm Powerhouse Unit 1 Transformer Repair
September 6, 2012
Page 2 of 2

I am therefore declaring the existence of an emergency. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE:



Anson Moran – President,
San Francisco Public Utilities Commission

cc:

A. Torres
V. Courtney
C. Sperry

A. Moller Caen
S. Ritchie
Mocc File

F. Vietor
M. Hannaford

DOCUMENT 00520

AGREEMENT

THIS AGREEMENT is made for the convenience of the parties this 16th day of October, 2012 by and between Delta Star, Inc., located at 3550 Mayflower Drive, Lynchburg, VA 24501 ("CONTRACTOR"), and the City and county of San Francisco, State of California (the "CITY"), acting through the General Manager (the "GENERAL MANAGER") of the San Francisco Public Utilities Commission (the "SFPUC"), under and by virtue of the Charter and Administrative Code of the City and County of San Francisco.

WHEREAS, on the 6th day of September, 2012 the GENERAL MANAGER, in accordance with Section 6.60 of the San Francisco Administrative Code, declared an emergency to investigate and appropriately repair a rockfall near Mountain Tunnel on South Fork Adit Road; and

WHEREAS, the Declaration of Emergency was approved by the President of the San Francisco Public Utilities Commission on October 10, 2012, a copy of the Declaration is attached hereto; and

WHEREAS, the CITY retained the CONTRACTOR to perform the emergency work described above; and

WHEREAS, the San Francisco Public Utilities Commission issued a Notice to Proceed to CONTRACTOR on May 4, 2012 for

Holm Transformer Repair
Contract No. HH-964(E) (Not To Exceed \$732,517)

NOW, THEREFORE, CONTRACTOR, in consideration of the mutual covenants set forth in this AGREEMENT, promises and agrees to provide all services to construct the Project in accordance with the requirements of the Contract Documents, to perform the Work in good and workmanlike manner to the satisfaction of the GENERAL MANAGER, to prosecute the Work with diligence from day to day to Final Completion, to furnish all construction work, labor and materials to be used in the execution and completion of the Work in accordance with the Contract Documents, and to otherwise fulfill all of CONTRACTOR's obligations under the Contract Documents, as and when required under the Contract Documents to the satisfaction of the GENERAL MANAGER.

CONTRACTOR's execution of this AGREEMENT signifies its acceptance of the Contract Time and Contract Sum as being sufficient for completion of the Work, as well as acceptance of the other terms and conditions of the Contract Documents.

ARTICLE I - WORK

- 1.01 Contract Documents. CONTRACTOR shall Provide all Work according to the Contract Documents, which are incorporated into and made a part of this AGREEMENT by this reference, and all labor and materials used in providing the Work shall comply with the Contract Documents. The Contract Documents, which comprise the entire agreement between CONTRACTOR and the CITY concerning the Provision of the Work, are defined in the General Conditions (Document 00700). Any undefined term used in this AGREEMENT shall be given the definition set forth in the General Conditions (Document 00700).
- 1.02 Contractor's General Responsibilities. CONTRACTOR shall provide a fully functional, complete and operational Project constructed in accordance with the Contract Documents, including but not limited to, all investigations, analyses, surveys, engineering, procurement, materials, labor, workmanship, construction and erection, commissioning, equipment, shipping, subcontractors, material suppliers, permits, insurance, bonds, fees, taxes, duties, documentation, spare parts, materials for initial operation, security, disposal, startup, testing, training, warranties, guarantees, and all incidentals.

1.03 Compliance with Laws.

- A. CONTRACTOR shall keep itself fully informed of and comply with the Charter, ordinances and regulations of the CITY and other local agencies having jurisdiction over the Work, and all federal and state laws and regulations in any manner affecting the Contract Documents, the performance of the Work, or those persons engaged therein.
- B. All construction and materials provided under the Contract Documents shall be in full accordance with the latest laws and requirements, or the same as may be amended, updated or supplemented from time to time, of the Code specified in the Contract Documents, Americans with Disability Act Accessibility Guidelines, CAL-OSHA, the State Division of Industrial Safety of the Department of Industrial Relations, the Division of the State Architect – Access Compliance, the Public Utilities Commission of the State of California, the State Fire Marshal, the National Fire Protection Association, the San Francisco Department of Public Health, state and federal laws and regulations, and of other bodies or officials having jurisdiction or authority over same, and they shall be observed and complied with by CONTRACTOR and any and all persons, firms and corporations employed by or under it.
- C. Authorized persons may at any time enter upon any part of the Work to ascertain whether such laws, ordinances, regulations or orders are being complied with.
- D. No additional costs will be paid or extensions of time granted as a result of such compliance.

ARTICLE 2 - CONTRACT TIME

- 2.01 Completion Dates. The Work shall be Substantially Complete within 120 days, beginning with and including the official date of Notice to Proceed as established by the GENERAL MANAGER, and Finally Complete in accordance with Article 9 of the General Conditions (Document 00700) within 10 consecutive calendar days after the date the CITY issues a Notice of Substantial Completion.
- 2.02 Liquidated Damages. It is understood and agreed by and between CONTRACTOR and the CITY that time is of the essence in all matters relating to the Contract Documents and that the CITY will suffer financial loss if the Work is not completed within the above-stated Contract Times, plus any extensions thereof allowed in accordance with Article 7 of the General Conditions (Document 00700). The CITY and CONTRACTOR further understand and agree that the actual cost to CITY which would result from CONTRACTOR's failure to complete the Work within the Contract Time is extremely difficult, if not impossible, to determine. Accordingly, CONTRACTOR and the CITY agree that as liquidated damages for delay (but not as a penalty), CONTRACTOR shall pay the CITY the amounts set forth in Document 00802 (Contract Time and Liquidated Damages) for each calendar day that expires after the above Contract Times and the Work remains incomplete.

ARTICLE 3 – CONTRACT SUM3.01 Contract Sum.

- A. CONTRACTOR and the CITY agree that, upon performance and fulfillment of the mutual covenants set forth herein, the CITY will, in the manner provided by law and as set forth in the Contract Documents, pay or cause to be paid to CONTRACTOR the following price(s), as indicated in the Schedule of Bid Prices (Document 00410):
 - 1. Lump sums for specified portions of the Work.
 - 2. The total of all Unit Price Items bid.
 - 3. The allowance(s) specified.

4. Selected additive/deductive Alternate Bid Items.

Total awarded contract amount: Not to Exceed Seven Hundred Thirty Two Thousand Five Hundred and Seventeen Dollars (\$732,517)

The price(s) and amount set forth above shall be adjusted during performance or upon final completion of the Work in accordance with the Contract Documents.

- B. CONTRACTOR understands and agrees that the CONTRACTOR shall be solely responsible for providing all resources that may be necessary to provide the Work, and that the CITY shall have no obligation whatsoever to finance any part of such costs except with respect to those amounts which become due under the terms and conditions of the Contract Documents.
- 3.02 Certification by Controller. This AGREEMENT is subject to the budget and fiscal provisions of the CITY's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of the CITY's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

ARTICLE 4 – LABOR REQUIREMENTS

- 4.01 Applicable Laws and Agreements. Compensation and working conditions for labor performed or services rendered under this AGREEMENT shall be in accordance with the Contract Documents, the San Francisco Charter, and applicable sections of the San Francisco Administrative Code, including section 6.22(E).
- 4.02 Prevailing Wages. The latest Wage Rates for Private Employment on Public Contracts as determined by the San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations, and, when federal funds are involved, the current General Wage Determination Decisions, as determined by the U.S. Secretary of Labor, as same may be changed during the term of this AGREEMENT, shall be included in this AGREEMENT and are hereby incorporated by this reference. CONTRACTOR agrees that any person performing labor in the provision of the Work shall be paid not less than the highest general prevailing rate of wages as so determined. If federal funds are involved, where the minimum rate of pay for any classification differs among State, City and Federal wage rate determinations, the highest of the three rates of pay shall prevail. CONTRACTOR shall include, in any contract or subcontract relating to the Work, a requirement that all persons performing labor under such contract or subcontract shall be paid not less than the highest prevailing rate of wages for the labor so performed. CONTRACTOR shall require any contractor to provide, and shall deliver to CITY every month during any construction period, certified payroll reports with respect to all persons performing labor in the Provision of the Work.
- A. Copies of the latest prevailing wage rates are on file at the San Francisco Public Utilities Commission, City and County of San Francisco, Contract Administration Bureau, 525 Golden Gate Avenue, 8th Floor, San Francisco, CA 94102.
- 4.03 Penalties. CONTRACTOR shall forfeit to the CITY back wages due plus fifty dollars (\$50.00) for:
- A. Each laborer, workman, or mechanic employed in the provision of the Work, for each calendar day or portion thereof during which such laborer, workman, or mechanic is not paid the highest general prevailing rate of wage for the work performed; or
- B. Each laborer, mechanic or artisan employed in the provision of the Work, for each calendar day or portion thereof during which such laborer, mechanic or artisan is compelled or permitted to work for a longer period than five days (Monday-Friday) per calendar week of eight hours each, and not compensated in accordance with the prevailing overtime standard and rate.

ARTICLE 5 – INDEMNITY (Not used)

See Article 3 of the General Conditions (Document 00700)

ARTICLE 6 – RIGHTS AND REMEDIES

- 6.01 General. The provisions of the Contract Documents shall not limit the duties, obligations, rights and remedies otherwise imposed or available by law or in equity. No action or failure to act shall in any way abridge the rights and obligations of the Parties to the Contract Documents, or condone a breach thereunder, unless expressly agreed to by the Parties in writing. All remedies provided in the Contract Documents shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, the CITY shall have any and all equitable and legal remedies that it would in any case have.
- 6.02 No Waiver. No waiver of any breach of any provision of the Contract Documents shall be held to be a waiver of any other or subsequent breach. The only waiver by the CITY shall be a waiver in writing that explicitly states the item or right being waived.
- 6.03 CITY's Remedies for False Claims and Other Violations. The Contractor or any Subcontractor or Supplier who fails to comply with the terms of this AGREEMENT, who violates any provision of Chapter 6 of the Administrative Code or rules and regulations adopted per that Chapter, who submits false claims, or who violates against any governmental entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of the AGREEMENT, may be subject to monetary penalties and may be declared an irresponsible bidder and debarred by operation of statute. (San Francisco Administrative Code section 6.80, et seq.) The Contractor shall include in each subcontract and purchase order for Work a clause incorporating the provisions of this Paragraph 6.03.

ARTICLE 7 – RESOLUTION OF CONFLICTING TERMS

- 7.01 The Contract Documents and any other agreements between the Parties relating to the Project are intended to be read together and integrated as a whole, and shall be construed and interpreted in a manner so as to avoid any conflicts to the extent possible. Supplementary provisions in the Contract Documents shall not be deemed to be in conflict. It is expressly agreed by and between CONTRACTOR and the CITY that should there be any conflict between the terms of this AGREEMENT and the Bid of CONTRACTOR, then this AGREEMENT shall control and nothing herein shall be considered as an acceptance of any terms of the Bid which conflict with this AGREEMENT.

ARTICLE 8 – GOVERNING LAW AND VENUE

- 8.01 Governing Law. The Contract Documents shall be interpreted in accordance with the laws of the State of California and the provisions of the CITY's Charter and Administrative Code, including but not limited to Chapter 6 of the San Francisco Administrative Code, which is incorporated by this reference as if set forth herein in full.
- 8.02 Venue. All Claims, counter-claims, disputes and other matters in question between the CITY and CONTRACTOR arising out of or relating to this AGREEMENT or its breach will be decided by a court of competent jurisdiction within the State of California.

ARTICLE 9 – NOTICES TO PARTIES

- 9.01 Unless otherwise indicated in the Contract Documents, all written communications sent by the Parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:
- To CITY: Contact the designated City Representative

To CONTRACTOR: Delta Star, Inc.
 (Contractor's name)
270 Industrial Road, San Carlos, CA 94070
 (Contractor's mailing address)
Xiomara Reyes, Contracts Admin.
xiomara@delastar.com
 (Contractor's e-mail address)
650-593-0733
 (Contractor's fax no.)

- 9.02 From time to time, the parties may designate new address information by notice in writing, delivered to the other Party.
- 9.03 The delivery to CONTRACTOR at the legal address listed above, as it may be amended upon written notice, or the depositing in any post office or post office box regularly maintained by the United States Postal Service in a postage paid wrapper directed to CONTRACTOR at such address, of any drawing, notice, letter or other communication shall be deemed legal and sufficient service thereof upon CONTRACTOR.

ARTICLE 10 – PROPRIETARY OR CONFIDENTIAL INFORMATION OF CITY

10.01 CONTRACTOR understands and agrees that, in the performance of the Work under this AGREEMENT or in contemplation thereof, CONTRACTOR may have access to private or confidential information which may be owned or controlled by CITY and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to CITY. CONTRACTOR agrees that all information disclosed by CITY to CONTRACTOR shall be held in confidence and used only in performance of the AGREEMENT. CONTRACTOR shall exercise the same standard or care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

ARTICLE 11 – TERMINATION

11.01 This AGREEMENT and the other Contract Documents shall terminate when all obligations required to be performed by CONTRACTOR and the CITY have been fulfilled, unless sooner terminated as set forth in Article 14 of the General Conditions (Document 00700).

[Emergency Contracts Only]
 Executed on Feb. 21, 2013
650-508-2850
 Telephone Number
N/A
 S.F. Business Tax Registration Certificate Number

Delta Star, Inc.
 Name of Firm or Corporation
[Signature]
 (signed) Bidder or Authorized Representative
Corporate Contracts Manager
 Position in Firm or Corporation
270 Industrial Rd, San Carlos, CA 94070
 Address of Firm or Corporation Zip Code
N/A
 Contractor's California License No.
N/A
 License Expiration Date

IN WITNESS WHEREOF, the CONTRACTOR and the CITY have hereunto set their hands and seals, and have executed this AGREEMENT in duplicate, the day and year first above written.

CONTRACTOR:

By my signature hereunder, as CONTRACTOR, I certify that I have read and understand the section captioned MacBride Principles – Northern Ireland including in Document 00822, the CITY's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

I further certify that I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this Contract.

Delta Star, Inc.
Principal
By: [Signature]
Corporate Contracts Manager
Title

CITY
Awarded:

By: [Signature]
General Manager, San Francisco Public Utilities
Commission

Approved as to form:
DENNIS J. HERRERA
City Attorney

By: [Signature]
Deputy City Attorney

END OF DOCUMENT



**San Francisco
Water Power Sewer**
Operator of the Hetch Hetchy Regional Water System

Post Office Box 160
Moccasin, CA 95347
T 209.989.2000
F 209.989.2104

Junction of Hwy 49 and Hwy 120

September 6, 2012

INTER-OFFICE MEMORANDUM

TO: Anson Moran
President

FROM: Ed Harrington *Ed Harrington*
General Manager

SUBJECT: Declaration of Emergency – Repair of HHP facilities:
Failure of Two Transformers at Holm Powerhouse on Unit 1

In accordance with Chapter 6, Article IV, Section 6.60(D) of the Administrative Code of the City and County of San Francisco, I am declaring an emergency on behalf of the Public Utilities Commission.

On July 31, 2012 the HHP Holm Powerhouse Unit 1 (HPH1) tripped off-line. The alarm from the unit indicated a sudden pressure change on the transformer bank. There are three transformers in the transformer bank: Phase A, Phase B and Phase C. Due to the type of alarm, Holm Unit 1 was taken out-of-service and technicians were called to investigate prior to putting the unit back in-service.

On August 1, 2012 HHP crews performed oil tests on the transformer bank and detected combustible gasses "trapped" in the oil on phases A and C. Tested biannually, the combustible gasses had increased from 88 parts per million (ppm) on April 20, 2012 to 9197 ppm on August 1, 2012. Combustible gasses in Phase C were at 1061 ppm. Institute of Electrical and Electronics Engineers standards¹ recommend combustible gasses less than 720 ppm for continued use. Potential consequences of returning a transformer to service with high combustible gasses could be explosion of the transformer. Potential explosion of the transformer represents an unacceptable threat to employee safety and a risk of an oil spill into Cherry Creek.

HHP required assistance from an outside vendor to determine the cause of the increased gasses. The vendor mobilized on September 4, 2012 and determined that the transformer insulation had deteriorated in Phase A and Phase C and must be replaced.

This request for emergency declaration is for resources to perform the repair work beyond the capabilities of City forces as soon as possible and is not anticipated to exceed \$1.5 million.

Edwin M. Lee
Mayor

Anson Moran
President

Art Torres
Vice President

Ann Moller Caen
Commissioner

Francesca Vietor
Commissioner

Vince Courtney
Commissioner

Ed Harrington
General Manager

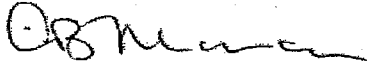
¹ IEEE standard C57.104-2008, Section 5, Table 2.



Declaration of Emergency
Holm Powerhouse Unit 1 Transformer Repair
September 6, 2012
Page 2 of 2

I am therefore declaring the existence of an emergency. I trust that this meets with your concurrence and approval.

CONCUR AND APPROVE:



Anson Moran – President,
San Francisco Public Utilities Commission

cc:

A. Torres
V. Courtney
C. Sperry

A. Moller Caen
S. Ritchie
Mocc File

F. Vietor
M. Hannaford



**CITY AND COUNTY OF SAN FRANCISCO
HUMAN RIGHTS COMMISSION**

**S.F. ADMINISTRATIVE CODE CHAPTERS 12B and 14B
WAIVER REQUEST FORM
(HRC Form 201)**

FOR HRC USE ONLY
Request Number: <u>6605</u>

➤ **Section 1. Department Information**

Department Head Signature: [Signature]
 Name of Department: HHWP Water Enterprise
 Department Address: P.O. Box 160, Moccasin CA 95347
 Contact Person: Margaret A. Hannaford
 Phone Number: 209-989-2063 Fax Number: 209-989-2104

➤ **Section 2. Contractor Information**

Contractor Name: Delta Star Contact Person: Bob Smith
 Contractor Address: 270 Industrial Road, San Carlos, CA
 Vendor Number (if known): 21013 Contact Phone No.: 1-800-892-8673

➤ **Section 3. Transaction Information**

Date Waiver Request Submitted: 09/06/2012 Type of Contract: Construction
 Contract Start Date: 9/7/2012 End Date: 04/01/2013 Dollar Amount of Contract:
\$1,500,000 estimated

➤ **Section 4. Administrative Code Chapter to be Waived (please check all that apply)**

- Chapter 12B
- Chapter 14B *Note: Employment and LBE subcontracting requirements may still be in force even when a 14B waiver (type A or B) is granted.*

➤ **Section 5. Waiver Type (Letter of Justification must be attached, see Check List on back of page.)**

- A. Sole Source
- B. Emergency (pursuant to Administrative Code §6.60 or 21.15)
- C. Public Entity
- D. No Potential Contractors Comply – Copy of waiver request sent to Board of Supervisors on:
- E. Government Bulk Purchasing Arrangement – Copy of waiver request sent to Board of Supervisors on:
- F. Sham/Shell Entity – Copy of waiver request sent to Board of Supervisors on:
- G. Local Business Enterprise (LBE) (for contracts in excess of \$5 million; see Admin. Code §14B.7.1.3)
- H. Subcontracting Goals

HRC ACTION	
12B Waiver Granted: <u>✓</u>	14B Waiver Granted: <u>X</u>
12B Waiver Denied: _____	14B Waiver Denied: _____
Reason for Action: <u>Declared emergency under Chapter 14, Sections 14.01 & 14.02 San Francisco Administrative Code.</u>	
HRG Staff: <u>[Signature]</u>	Date: <u>9-11-12</u>
HRC Staff: <u>[Signature]</u>	Date: <u>9/11/2012</u>
HRC Director: <u>[Signature]</u>	Date: <u>9/12/12</u>
DEPARTMENT ACTION – This section must be completed and returned to HRC for waiver types D, E & F.	
Date Waiver Granted: _____	Contract Dollar Amount: _____

DOCUMENT 00610

PERFORMANCE BOND AND PAYMENT (LABOR & MATERIALS) BOND

KNOW ALL MEN BY THESE PRESENTS, that WHEREAS, the San Francisco Public Utilities Commission of the City and County of San Francisco, State of California, has awarded to:

Delta Star, Inc. , located at 3550 Mayflower Drive, Lynchburg, VA 24501
hereinafter designated as the "Principal", a Contract for:

HOLM TRANSFORMER REPAIR

Contract No. HH-964(E) (NOT TO EXCEED \$732,517)

WHEREAS, said Principal is required under the terms of said Contract to furnish a Bond for the faithful performance of said Contract; and to furnish a separate Bond for the payment of any materials, provisions, or other supplies, used in, upon, for or about the performance of the Work contracted to be done;

NOW, THEREFORE, we the Principal and
Platte River Insurance Company

as Surety, are firmly bound unto the City and County of San Francisco in the penal sum of

(PERFORMANCE BOND) (\$521,465.07) Five Hundred Twenty One Thousand, Four Hundred Sixty Five Dollars 07/100 and (PAYMENT BOND) (\$521,465.07) Five Hundred Twenty One Thousand, Four Hundred Sixty Five Dollars 07/100

lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents for the penal sum for a performance bond and an equal and separate penal sum for a separate payment bond. The conditions of this obligation is such that if the said principal does well and faithfully performs all the conditions and covenants of said Contract, according to the true intent and meaning thereof, upon its part to be kept and performed, then the above obligation is to be null and void, otherwise to remain in full force and effect.

(PERFORMANCE BOND)

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said Contract, including the provisions for liquidated damages in the said Contract, any changes, additions or alterations thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the

City and County of San Francisco, its officers and agents, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

(PAYMENT BOND)

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said principal, its heirs, executors, administrators, successors or assigns, or its subcontractor or subcontractors, shall fail to pay for any materials, provisions, or other supplies, used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor thereon of any kind, or for amounts due the Unemployment Insurance Act with respect to such work or labor, then the surety of this Bond will pay for same, in an amount not exceeding the sum specified in this Bond, and in case suit is brought upon this Bond will also pay a reasonable attorney's fee, to be fixed by the Court.

This Bond shall inure to the benefit of any and all persons, companies, corporations, political subdivisions and state agencies, entitled to file claims under the provisions of California Civil Code section 3247 et seq.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder or the Specifications accompanying the same and no inadvertent overpayment of progress payments shall in any way affect its obligations on these Bonds, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work or to the Specifications or of any inadvertent overpayment of progress payments.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their seal this 21st day of February, 2013, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Approved as to form:
Dennis J. Herrera
City Attorney

By: [Signature]
Deputy City Attorney

Principal Delta Star, Inc.

By: [Signature]
Ben Magana, Operations Manager

Surety Platte River Insurance Company

By: [Signature]
Tanya Chinchilla, Attorney-in-Fact

END OF DOCUMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

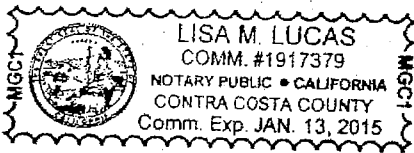
STATE OF CALIFORNIA

County of Contra Costa }

On February 21, 2013 before me, Lisa M. Lucas, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Tanya Chinchilla
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/are subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.



Place Notary Seal Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Lisa M. Lucas
Signature of Notary Public, Lisa M. Lucas

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

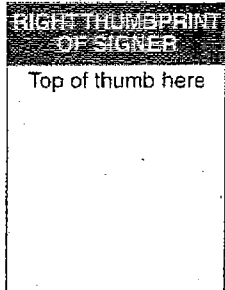
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

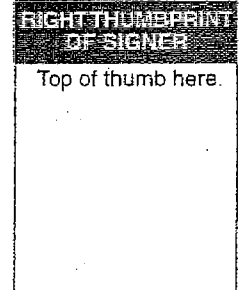
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

PLATTE RIVER INSURANCE COMPANY
POWER OF ATTORNEY

41269654

KNOW ALL MEN BY THESE PRESENTS, That the PLATTE RIVER INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

LISA M. LUCAS; WILLIAM PHILLIPS, JR.; D. RICHARD STINSON; TANYA CHINCILLA

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED: \$20,000,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PLATTE RIVER INSURANCE COMPANY at a meeting duly called and held on the 8th day of January, 2012.

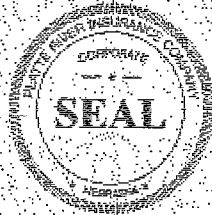
"RESOLVED, that the President, said Vice-President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such officers to the business of the Corporation; the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

IN WITNESS WHEREOF, the PLATTE RIVER INSURANCE COMPANY has caused these presents to be signed by its officer undersigned and its corporate seal to be hereto affixed duly attested, this 2nd day of May, 2011.

Attest:

Richard W. Allen III

Richard W. Allen III
President
Surety & Fidelity Operations



PLATTE RIVER INSURANCE COMPANY

David F. Pauly

David F. Pauly
CEO & President

STATE OF WISCONSIN }
COUNTY OF DANE } s.s.

On the 2nd day of May, 2011 before me personally came David F. Pauly, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Dane, State of Wisconsin; that he is President of PLATTE RIVER INSURANCE COMPANY, the corporation described herein and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



Daniel W. Krueger

Daniel W. Krueger
Notary Public, Dane Co., WI
My Commission Is Permanent

STATE OF WISCONSIN }
COUNTY OF DANE } s.s.

I, the undersigned, duly elected to the office stated below, now the incumbent in PLATTE RIVER INSURANCE COMPANY, a Nebraska Corporation, authorized to make this certificate. DO HEREBY CERTIFY that the foregoing attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at the City of Middleton, State of Wisconsin this 21st day of February 2013



Alan S. Ogilvie

Alan S. Ogilvie
Secretary

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREEN SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450.

PR-P04 (3-11)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/07/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Riggs, Counselman, Michaels & Downes 4200 Innslake Drive Suite 303 Glen Allen, VA 23060 (804) 237-5900	CONTACT NAME: Iris Michaelian PHONE (A/C, No, Ext): 804-237-5932 E-MAIL ADDRESS: imichaelian@rcmd.com	FAX (A/C, No): 804-237-5901
	INSURER(S) AFFORDING COVERAGE	
INSURED Delta Star Inc 270 Industrial Rd. San Carlos, CA 94070	INSURER A: Travelers Property Casualty Company of America	NAIC # 25674
	INSURER B: Liberty Mutual Fire Insurance Company	23035
	INSURER C: Great American Insurance Company	16691
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 558548 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	X	TB2-651-290407-022	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	X	AS2-651-290407-032	7/1/2012	7/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			TUJ 0306935 00	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		X	WA2-65D-290407-012	7/1/2012	7/1/2013	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Transportation			QT-660-6094C950-TIL-12	7/1/2012	7/1/2013	Motor Carrier \$2,500,000/\$25,000 Ded; Railroad-\$2,500,000/\$25,000 Ded

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
RE: R7849-51- Hetch hetchy Water and Power Emergency Contract HJH-964 (E): Holm Transformer Repair.
See attached for special wording and Blanket Additional Insured & Waiver of Subrogation forms attached.

CERTIFICATE HOLDER City and County of San Francisco San Francisco Water Power Sewer 525 Golden Gate Avenue, 8th Floor San Francisco, CA 94102	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: 
--	--

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

Any person or organization with whom you have agreed in writing to waive any right of recovery prior to a loss

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

This endorsement is executed by the LIBERTY MUTUAL FIRE INSURANCE COMPANY

Premium \$

Effective Date

Expiration Date

For attachment to Policy No.

TB2-651-290487-022

Audit Basis

Issued To

Countersigned by

Authorized Representative

Issued

Sales Office and No.

End. Serial No.

**Liberty Mutual
Fire Insurance Company**



**COMMERCIAL GENERAL
LIABILITY DECLARATIONS**

ACCOUNT 29 04 07	SUB-ACCT NO. 0000	Liberty Mutual Insurance Group/Boston					
POLICY NO. TB2-651-290407-022	TD/CD 92/0	SALES OFFICE Roanoke, VA	CODE 0536	SALES REPRESENTATIVE BERNITT	CODE 8950	N/R 2	1 ST YR 2011

Item 1. Named Insured **Delta Star, Inc.**
Address **3550 Mayflower Dr
Lynchburg, VA 24506**

The named insured is: Corporation

Business of named insured is: Power, Distribution and Specialty Transformers

Item 2. Policy Period From Mo. 07 Day 01 Year 2012 to Mo. 07 Day 01 Year 2013
12:01 A.M., standard time at the address of the named insured as stated herein.

Item 3. In return for the payment of the premium, and subject to all of the terms of this policy, we agree with you to provide the insurance as stated in this policy

LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT	\$ 1,000,000 ✓
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 100,000 ✓ Any one premises
MEDICAL EXPENSE LIMIT	\$ 5,000 ✓ Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000 ✓ Any one person or organization
GENERAL AGGREGATE LIMIT	\$ 2,000,000 ✓
PRODUCTS / COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000 ✓
Deductible Endorsement Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

TERRORISM RISK INSURANCE ACT \$ 2,500
TOTAL ADVANCE PREMIUM \$ 199,755 ✓

Added \$ 199,255 (difference terrorism)

The premium for this policy is payable \$ _____ in advance, \$ _____ on first anniversary and \$ _____ on the second anniversary.

Audit Basis: 1 - At Expiration

The declarations are completed on the schedules designated Declarations Extension Schedules

These declarations, together with the Common Policy Conditions and Coverage Form(s) and any endorsement(s) complete the above numbered policy.

Forms and endorsements attached to this policy: See attached forms and endorsements schedule

This policy, including all endorsements issued herewith, is hereby countersigned by _____

*N*1N00*

Authorized Representative

Loc. Code	Typed	Periodic Payment	Rating Basis	Audit Basis	Home State	Pol. H. G.	Renewal of
	DK 07/09/2012	\$	NR	1	VA	S- <input type="checkbox"/>	TB2-651-290407-021

GPO 4081 R3

SCANNED

To Abs fol 2012-2013G

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

SCHEDULE

Name of Person(s) or Organization(s):

Any person or organization whom you have agreed in writing to add as an additional insured, but only to coverage and minimum limits of insurance required by the written agreement, and in no event to exceed either the scope of coverage or the limits of insurance provided in this policy.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.

Policy No: ~~752-651-290407-032~~ *Auto*
Effective Date: 07/01/2012
Expiration Date: 07/01/2013
Sales Office: 0536

Issued By: Liberty Mutual Fire Insurance Co.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

~~Business Auto Coverage Form~~
Garage Coverage Form
Truckers Coverage Form
Motor Carrier Coverage Form

SCHEDULE

Premium: INCL

Name of Person or Organization:

Any person or organization for whom you perform work under a written contract if the contract requires you to obtain this agreement from us, but only if the contract is executed prior to the injury or damage occurring.

A wording

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US condition is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your operations of a covered auto done under contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule above.

Policy No: AS2-651-290407-032

Auto

Issued By:

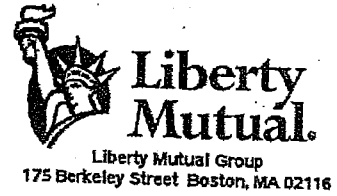
Effective Date: 07/01/2012

Expiration Date: 07/01/2013

Sales Office: 0536

Liberty Mutual Fire Insurance Co.

BUSINESS AUTO DECLARATIONS



Issued by Liberty Mutual Fire Insurance Co.

Policy Number AS2-651-290407-032
Renewal of AS2-651-290407-031
Account Number 5-290407

Issuing Office 0536
Issue Date 07/13/2012

ITEM ONE - Named Insured and Mailing Address

Delta Star, Inc.
3550 Mayflower Dr
Lynchburg, VA 24506

Form of
Business: Corporation

Business of the
named insured is: Power, Distribution and
Specialty Transformers

Policy Period: The policy period is from 07/01/2012 to 07/01/2013 12:01 A.M. standard time at the
Insured's mailing address.

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to
provide the insurance as stated in this policy.

ITEM TWO - Schedule of Coverages and Covered Autos - Refer to Pages 2 and 3

SCHEDULE

The declarations are completed on the following pages and on the accompanying "Declarations Extension
Schedule(s)":

Schedule Premium \$38,332
Endorsement Premium

billed \$36,430

Total Estimated Premium \$38,332
Other Charge(s)

Policywriting Minimum Premium \$100
Premium will be billed

Forms Applicable: See Attached Inventory

Producer 0002-006833
RIGGS COUNSELLMAN MICHAELS & DOWNES INC
PO BOX 71330
RICHMOND, VA 232551330

Countersigned By:

Producer BERNITT D 8950
ROANOKE, VA

Tony Boatright
Authorized Representative

SCANNED

*To AS PDL 2012-2013 Comm Policy
date 8/16/12*

Mark Camp

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

<u>Person or Organization</u>	<u>Job Description</u>
Any person or organization for whom the Named Insured has agreed by written contract to furnish a waiver provided you executed the contract before the loss.	

This endorsement is executed by the Liberty Mutual Fire Insurance Company 16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-65D-290407-012

WC 04 03 06
ED: 4/1984

Page 1 of 1

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE POLICY**

INFORMATION PAGE



Liberty Mutual Group
175 Berkeley Street Boston, MA 02117

Issued by Liberty Mutual Fire Insurance Company (a stock company) 16586

Policy Number WA2-65D-290407-012 ✓ Issuing Office LEWISTON, ME
Renewal Of WA2-65D-290407-011 Issue Date 07/09/2012
Account Number 5-290407 Sub Account 0000

1. Insured and Mailing Address

Delta Star, Inc.
3550 Mayflower Dr
Lynchburg VA 24506

FEIN 25-1586168

Risk ID 917393613

Status Corporation

Other workplaces not shown above: See Item 4. Premium - Extension of Information Page

2. Policy Period: The policy period is from 07/01/2012 to 07/01/2013 12:01 A.M. standard time at the Insured's mailing address.

3. Coverage

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: AZ CA ID IL NV NY TX UT VA

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident \$ 1,000,000 each accident
Bodily Injury by Disease \$ 1,000,000 policy limit
Bodily Injury by Disease \$ 1,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All States except those listed in Item 3.A and the States of:
ND OH WA WY

D. This policy includes these endorsements and schedules: See Item 3. Coverage D - Extension of Information Page

4. Premium: The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Premium Basis Total Estimated Annual Remuneration	Rate per \$100 of Remuneration	Estimated Annual Premium
See Extension of Information Page				
Minimum Premium	\$1,250 (CA)			
Premium will be billed	Annual			
			Total Estimated Annual Premium	\$ 472,006
			Deposit Premium	\$ 472,006
			Deposit Tax/Surcharge/Assessment	\$ 26,889

Producer 0002 006833

RIGGS COUNSELLMAN MICHAELS & DOWNES INC
PO BOX 71330
RICHMOND VA 232551330

Countersigned by Authorized Rep. (NV)

Tony Boatright

Producer BERNITT 8950
ROANOKE, VA

WC 00 00 01 A
Ed. 07/01/2011

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WC 00 00 01 B (CA/NJ)
Page 1 of 1

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Delta Star, Inc.	
<i>Please list the names of:</i> (1) <i>members of the contractor's board of directors:</i> Ivan Tepper, Stephen Newman, Barbara Johnson, Janet Collins, Wendy Tepper, and John Nichols (2) <i>the contractor's chief executive officer:</i> Ivan Tepper, <i>chief financial officer:</i> Steven Jones (3) <i>any person who has an ownership of 20 percent or more in the contractor:</i> NONE (4) <i>any subcontractor listed in the bid or contract:</i> NONE and (5) <i>any political committee sponsored or controlled by the contractor:</i> NONE.	
Contractor address: 270 Industrial Road, San Carlos, CA 94070.	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: \$521,465.07
Describe the nature of the contract that was approved: Delta Star, Inc. has agreed to repair three transformers for the City and County of San Francisco. Contract No. HH-964(E). DSI Shop Order #s F7489/50/51.	
Comments: Delta Star, Inc. is an ESOP company that manufactures power transformers in Virginia and California.	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed