

## Memo to Members



by Larry Mazzola Jr.  
Business Manager

It looks like we might be approaching the light at the end of the COVID tunnel. Infection rates are dropping, restrictions are easing, and the idea of things returning to normal is no longer unthinkable.

But that doesn't mean we can just drop everything and return to our pre-pandemic activities quite yet. In keeping with our priorities of keeping our members and their families safe, we have decided to cancel several upcoming events, including the April and May union meetings, the Local 38 Golf Tournament, and, saddest of all, the upcoming Camp Konocti season.

Everyone who knows me, knows how dedicated I am to Camp Konocti. My time at camp was important to my childhood, and my friends from camp have been important to my adulthood. But none of that is as important as the health of the sons and daughters of Local 38, along with our dedicated camp staff.

It was with a heavy heart that I recommended to the Trustees that the 2021 Camp Konocti season be cancelled (our second year in a row). We'll be back in 2022 with a bigger and better camp season—I hope our best ever. But in the meantime, the priority is staying safe and healthy. It is a heartbreaking decision, but one that I believe is absolutely necessary.

### BOB COSTELLO

I also want to say a word about former Business Agent Bob Costello, who passed away last month. Brother Costello, like all of Local 38's former full and part-time officers, helped to make Local 38 what it is today.

The hard work and dedication of our Business Agents and all our officers have made Local 38 one of the premiere labor unions in the country. Camp Konocti, college scholarships, journeylevel and apprentice training, health and welfare, pensions...these are just some of the things that make Local 38 special, and none of them would have been possible without the outstanding leadership Local 38 has enjoyed over the past 70-plus years.

Bob played an integral part in building Local 38, and in making sure our members and families enjoy the life they do today. We owe him, and all our past officers, a huge debt of gratitude. He was a good union man and will be missed.

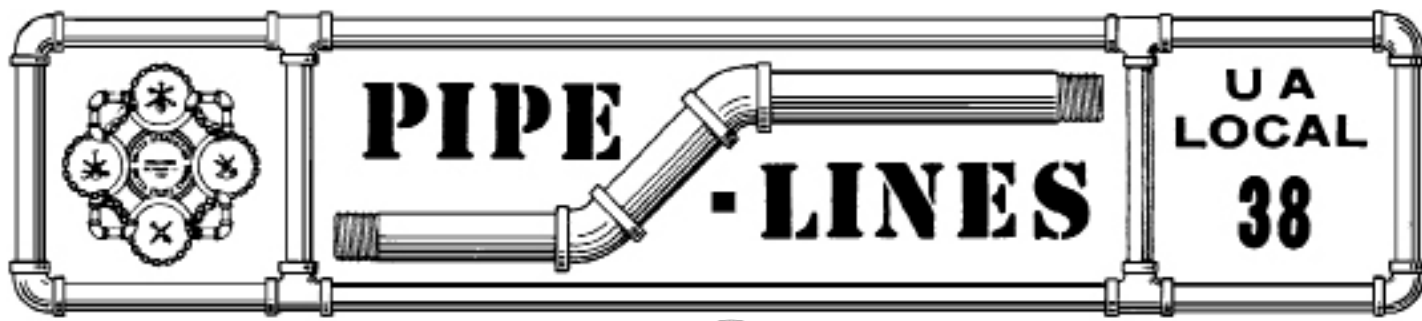
### ANOTHER MILESTONE

Local 38 celebrated another milestone in what has become known as "the Plumbers Project," when ground was broken for the Colton Street affordable housing portion of the development.

We at Local 38 are looking forward to our new union hall. But more important to the City are the units of market rate and affordable housing, as well as the commercial and retail development, and the public open space the project will provide.

The development is one of the keystones of the city's drive to renovate Market Street west of Van Ness, and we're proud of the part we can play in that redevelopment.

Continued on Page 6



SAN FRANCISCO, CA

850

APRIL 2021



On hand for the ceremonial groundbreaking for the affordable housing portion of the Local 38 "Plumbers Union Project" were (left to right): General Manager NorCal Suffolk Construction Mike DiNapoli, San Francisco Supervisor District 6 Matt Haney, CEO Community Housing Partnership Rick Aubry, San Francisco Mayor London Breed, Local 38 Business Manager Larry Mazzola Jr., CEO Strada Michael Cohen.

## Local 38 Affordable Housing Phase Breaks Ground

Local 38 Business Manager Larry Mazzola Jr., alongside San Francisco Mayor London Breed, announced the groundbreaking of a new affordable housing complex at 53 Colton Street. Located behind the current and future home of the Local 38 Union Hall, the site will provide homes for 96 people experiencing homelessness. Known as the "Plumbers Union" project, the development advances the City's strategy for economic recovery centered on stimulating new job creation and investing in infrastructure. The overall project is estimated to create 1,200 construction jobs.

"UA Local 38 is a proud partner in this transformative development," said Larry Mazzola Jr. "The project will cre-

ate much needed housing and union jobs, right at the doorstep of our new headquarters."

### Popular Former Local 38 Business Agent Passes

Brother Costello joined the United Association in 1947, the same year Local 38 was chartered. He was first elected as a Local 38 Business Agent in 1953, a position he held for 25 years. In 1978 he was named UA International Representative for California and Hawaii, a position he held until his retirement in 1996.

"The Plumbers Union project is the kind of innovative partnership that shows how to create mixed-use, diverse communities in San Francisco, and I want to thank all the partners who have worked together over the years to get us to this point in construction," said Mayor Breed. "Projects like this one at 53 Colton are how we'll recover from this pandemic and come back even stronger than before—by building affordable hous-

ing, creating good construction jobs, and supporting our most vulnerable residents."

Continued on Page 5

The affordable housing development on Colton St. is designed to provide housing for the low income residents being displaced by the Civic Center Hotel renovations.

Additionally, as part of the larger development agreement with the City, Local 38 worked with the Mayor's Office of Housing and Community Development to preserve 66 affordable housing units at the South Beach Marina Apartments.

District 6 Supervisor Matt Haney was on hand for the groundbreaking celebration. "Bringing new affordable housing units online at 53 Colton to stabilize almost 100 of our most vulnerable resi-

Continued on Page 3

### Camp Konocti Cancelled

Due to the ongoing pandemic and out of an abundance of caution for the health and safety of our members and their families, Local 38's officers and Trustees have made the difficult decision to cancel the following events for 2021:

- **Camp Konocti**—It is with deep regret that the Local 38 Trustees decided that the health and safety of the sons and daughters of Local 38 required the cancellation of the 2021 Camp Konocti season (See Page 2).
- **Local 38 Annual Golf Tournament**
- **April & May Union Meetings** — Since the May union meeting is the last meeting before our traditional summer break, the next meeting will be scheduled for Wednesday, October 6, 2021.



Former Business Agent Robert "Bob" Costello

# From the Trust Fund

## ARPA Provides New COBRA Options

On March 11, President Biden signed the American Rescue Act Plan of 2021 (ARPA) into law. The ARPA provides for a 100% COBRA subsidy for up to six months for any Local 38 Health & Welfare Plan (Plan) member who lost health coverage because of an involuntary termination of employment or an involuntary reduction in hours resulting in the loss of health plan coverage. ARPA also provides a “second chance” election for Local 38 members who did not initially elect COBRA or who let their COBRA coverage lapse after November 1, 2019.

### HOW DOES IT WORK?

#### Who's eligible for the ARPA COBRA subsidy?

To be eligible for the ARPA COBRA subsidy, all of the following must apply:

- The individual is a Local 38 qualified beneficiary with a qualifying event under either COBRA or state continuation (except for those who voluntarily terminate);
- The qualifying event occurs on or after November 1, 2019;
- The individual elects coverage; and
- The individual does not have

another offer of employer-sponsored health plan coverage or access to Medicare coverage.

This new ARPA COBRA subsidy even extends to those who may have declined or discontinued their original COBRA coverage, as long as they enroll within 60 days of receipt of the new ARPA COBRA extension notice.

#### How long will the new ARPA COBRA subsidy last?

From April 1, 2021, through September 30, 2021.

#### Will the \$400 per month COVID-19 Local 38 Health & Welfare Plan coverage benefit still be available?

No. The \$400 per month COVID-19 Local 38 Health & Welfare Plan coverage benefit will not be available between April 1, 2021 and September 30, 2021. If you have already paid for the months of April or May, the Trust Fund Office will be issuing a refund as soon as administratively possible.

#### If a Local 38 member voluntarily resigned, are they eligible for the ARPA COBRA subsidy?

No. The subsidy is not available for Local 38 members who voluntarily left their job. In addition, Local 38 members who are now eligible for other employer-sponsored health plan coverage or Medicare are not eligible for the ARPA COBRA subsidy. Local 38 members who become eligible for other health plan

coverage are obligated to immediately notify Local 38.

#### Are individuals who previously declined or discontinued their COBRA coverage eligible for the ARPA COBRA subsidy?

Yes. The COBRA subsidy extends even to Local 38 members who may have declined or discontinued their COBRA coverage, as long as they are still within their original COBRA coverage time period. Any election to reenter COBRA will be prospective from April 1, 2021 forward. There will be no need to elect and pay retroactive COBRA premiums to the date coverage was lost or was discontinued. Eligible Local 38 members who declined or dropped COBRA coverage must enroll within 60 days after receipt of the new COBRA extension notice.

#### What notices will Local 38 provide to impacted Local 38 members and their eligible dependents?

Local 38 will provide impacted Local 38 members with a formal notice of the availability of the COBRA subsidy, a notice of the extended election period for COBRA coverage, and a notice of the expiration of the subsidy. The US Department of Labor is to issue model notices by April 10, 2021.

How soon will Local provide formal notifications to individuals that may be eligible for the COBRA subsidy?

Local 38 plans to send a new COBRA notice to eligible Local 38 members within 60 days after April 1, 2021, which is May 31, 2021. Upon receipt of the notice, eligible Local 38 members will have a 60-day COBRA enrollment opportunity. Again, Local 38 is waiting for government guidance. The DOL is to issue model notices within 30 days of ARPA's enactment — which is April 10, 2021.

#### Do the ARPA COBRA provisions extend an individual's COBRA coverage period?

No. ARPA COBRA does not extend a Local 38 member's original COBRA coverage time period, which typically expires 18 months after coverage was lost. This means that if a Local 38 member's original COBRA time period ends on July 31, 2021, his ARPA COBRA will end on July 31, 2021. COBRA coverage can, however, be extended if a second qualifying event occurs during the initial COBRA time period. If the second qualifying event is the death of the covered employee, divorce or legal separation of the covered employee from the covered employee's spouse, or the covered employee becoming entitled to Medicare, then COBRA for the spouse or dependent child lasts for 36 months.

As Pipelines goes to press the Trust Fund office is still reviewing ARPA revisions and changes. Please watch Pipelines and [www.ualocal38.org](http://www.ualocal38.org) for updates.

## New “Qualified Disaster Distributions” Now Available For Local 38 Defined Contribution 401(A) Plan Members

Finally, some good news. The Local 38 Defined Contribution 401(A) Plan Board of Trustees adopted a Plan amendment on January 28, 2021 to assist Plan members who have lost their principal residence in a “qualified disaster.” Congress late last year passed the COVID-Related Tax Relief Act of 2020 (“COVIDTRA” or “Act”), as part of the Consolidated Appropriations Act, 2021 (“CAA-2021”). This new law allows Local 38 Defined Contribution Plan members to withdraw up to \$100,000 from their accounts if they lost their principal residence in a wildfire or other “qualified disaster.” The new law further states that any Qualified Disaster Distribution must be taken before June 19, 2021.

Qualified Disaster Distributions work in a similar way to CARES Act distributions. Congress first passed a tax law change for retirement plan participants impacted by the COVID-19 plague on March 27 last year. In early 2021 a sec-

ond new law was enacted to assist retirement plan participants impacted by other natural disasters. For example, here in California we lost more than 4,000,000 acres and many people lost their homes due to wildfires last year.

### CARES ACT PLAN WITHDRAWALS

On March 27, 2020 Congress passed the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) which created a new way for plan participants to withdraw money from tax-qualified defined contribution retirement plans. As part of the CARES Act, Congress drafted an exception to the 10% early withdrawal penalty tax. The CARES Act waived this 10% early withdrawal penalty tax for retirement plan distributions for COVID-19-related distributions (“CRD”). The Local 38 Defined Contribution Plan Trustees adopted an amendment permitting CARES Act distributions in April.

While the Plan money withdrawn is exempt from the 10% penalty due to the CARES Act, there are still income

taxes due on the money that is withdrawn. The CARES Act allows the tax burden to be spread out over a period of up to three tax years, unless you decide to put the money you withdrew back into your account. If you put the withdrawn money back in your retirement account then you can amend your income taxes for such a change. Failure to repay the money within the three-year window will make you liable for income taxes on all the money you have not repaid.

### NEW QDD PLAN WITHDRAWALS

CAA-2021 has created a new way to withdraw Local 38 Defined Contribution Plan money called the Qualified Disaster Distribution (“QDD”). The new QDD is similar to the special coronavirus (CARES Act) distribution (the “CRD”) described above. The new

QDD law allows a Local 38 Defined Contribution Plan member to withdraw up to \$100,000 for a principal residence lost in a “qualified disaster.” Like the CRD, a QDD can be withdrawn from a retirement plan account and avoid the 10% penalty tax for taking an early withdrawal (early withdrawals occur if taken by a participant before reaching age 59.5). Just like the CRD, a QDD distribution can be repaid without an income tax penalty, if they are repaid at any time during the three-year period beginning on the day after the QDD distribution was taken. Just like CARES Act withdrawals, you can repay QDD withdrawals in installments or as one lump sum within the three-year window. Again, if the QDD money is not paid back you will then need to pay income tax on it.

If you have any questions, please contact the Trust Fund Office.



## Trustees Make Difficult Camp Decision

“This is one of the most difficult decisions we have ever had to make.”

That was the comment from Local 38 Business Manager Larry Mazzola, Jr., when he announced the cancellation of the 2021 Camp Konocti Season.

Despite some signs that the pandemic is easing, Local 38's Board of Trustees decided earlier this month to opt on the side of caution and cancel the 2021 season for Camp Konocti. It is the second season in a row that Camp has been cancelled because of the COVID pandemic.

“All the Trustees were deeply saddened by the decision, and all felt like we had no choice,” Mazzola, Jr. said. “We are determined to keep improving our Camp facilities, and to making our 2022 return season the best ever.”

“I cannot express to you how much I was hoping we might be able to have camp this summer,” wrote Camp Director Steve Hays in an email to Camp staffers, “but with the Covid situation still not under control, we cannot afford to gamble with our precious campers, families and staff.”

### Did you know?

## American Rescue Plan Act of 2021 Unemployment Compensation Benefits

The American Rescue Plan Act of 2021 (ARPA) contains a new provision which may help you. Although unemployment compensation benefits are normally included as taxable income, retroactive for the 2020 tax year only, the ARPA has made the first \$10,200 of income from unemployment compensation benefits tax-free for individual taxpayers with incomes of less than \$150,000 for the 2020 tax year. Please consult with your tax preparer to see if you may be eligible for this provision. And, due to last minute changes like this, the IRS has extended the tax filing deadline to May 17, 2021.

# From the Training Department

## Zoom Makes Distance Learning Real for the Local 38 Training Centers

Educational institutions across the country have not had it easy since the coronavirus pandemic forced everyone into lockdown over a year ago. The Joseph P. Mazzola Local 38 Training Center is no different, having to quickly pivot to alternative methods of instruction for the just over 500 apprentices enrolled.

Fortunately, like many schools and apprenticeship programs, the Zoom platform has given us a way to not only stay connected but also continue to learn. For many of us, our homes have become our classrooms and we have had to navigate that tricky balance with family, classmates and instructors.

“Making the move to virtual apprenticeship classes was no easy task,” said Training Director Steve Mazzola. “But our team was determined to keep our program and classes going. Construction is an essential job so to us it was essential we find a way to keep our students engaged in learning the trade.”

“All the Training Center instructors who have attended the UA instructor training program over the years were taught Blackboard, an online learning platform. Now it is paying off because we were forced into online learning due to the pandemic,” said Local 38 Curriculum Coordinator Liam Devlin. “A few instructors even took some online classes late last year to be ready for just this type of scenario.”

Instructor Rich Harlan, who had previous experience teaching courses online at the college level, shared his knowledge of online teaching tools when it came time for the Training Center to design and implement their classes to go virtual.

So far the feedback from the instructors has been positive. “Everyone involved in getting online learning rolling did a great job. Glad to be a part of continuing keeping the school going during these unprecedented times,” said instructor Loren Subia.

“Although it is not the ideal teaching and learning experience we are all used to, it has been a cool alternative way to connect with the students,” commented instructor Joe Andreini.

“A great platform to work with,” instructor Steve Christani noted. “It keeps the students engaged, allows them to work at their own pace, and it is customizable for adding additional content.”

Instructor Mike Gomez shared, “During these unprecedented times, I was delighted to see the students ability to excel in a digital learning environment.”

This pandemic has made everyone reevaluate the way they do things in both their personal and professional lives. As it



**A Zoom “classroom” can include videos, demonstrations, lectures and even full-fledged discussion sessions that involve all students and instructors. While it is a different format than in-person classes, it allows the Local 38 Training Department to continue to turn out the best trained workers in the Pipe Trades.**

begins to look like remote learning will remain a part of education in some form moving forward, this experience gives our apprentices and instructors another “tool in the bucket” they can take with them as they advance in their careers.



## Groundbreaking...

Continued From Page 1

dents is critical to our City’s recovery from COVID and our homelessness crisis.”

“53 Colton is part of a unique partnership between the public, non-profit and private sector and organized labor that delivers almost 600 residential units, a new union hall and an important public park,” said Michael Cohen, Founding Partner and CEO of Strada. “Our ability to secure financing and commence construction in the teeth of the pandemic is a testament to the strength of that partnership.”

**Pictured counter clockwise on the left: Local 38 Business Manager Larry Mazzola Jr. alongside San Francisco Mayor London Breed at the future site of 53 Colton. Addressing the crowd at the groundbreaking are Mazzola Jr., Supervisor Matt Haney, Founding Partner of Strada Michael Cohen, and Mayor Breed.**





Twenty-seven Local 38 plumbers and fitters have been hard at work at the 5M project on Mission St. Pictured above is the combined plumbing and fitting crew; pictured at right is the crew being addressed by Local 38 Business Agent Bill Blackwell; and lower right the M2 building.



## Local 38 Doing It's Part to Keep Big Project On Track

Local 38 members are well represented on one of the bigger construction projects underway in the City.

Part of the larger 5M Project, M2 is a 300 unit, 20 story residential building with first floor TI space for retail located at 434 Minna Street and includes 57 affordable housing units. Broadway Mechanical-Contractors (BMC) is providing the plumbing work and Critchfield

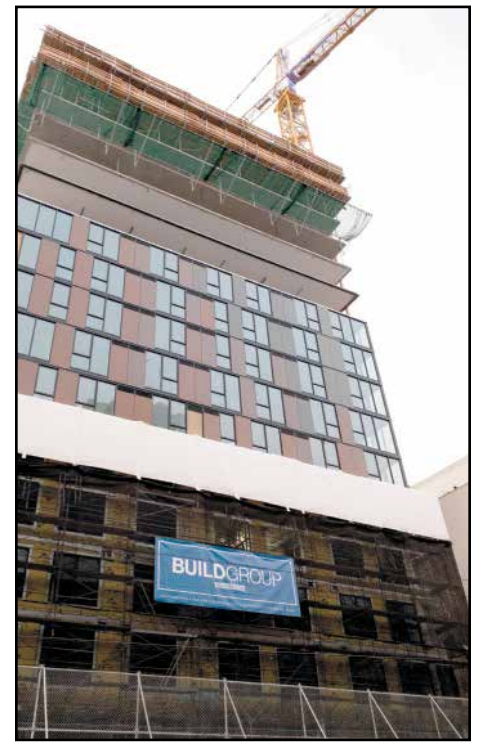
Mechanical Inc. (CMI) is providing the HVAC work.

The 5M Project is a 4-acre development located between Fifth St., Mission St and Howard St. The three new buildings will include a mix of office, retail and commercial space, along with over 600 housing units, 221 of which are designated as affordable housing. The Dempster Building, a historic resource, is the focal point at the center

of 5M's open space. The building will be dedicated to arts and cultural uses, and the project will provide funding for arts and open space programming. The two-story Camelline Building, also a historic resource, will be retained adjacent to Mary Court and 11,500 square feet of open space.

"This is a job being run on a tight schedule," says BMC Labor Superintendent Joe Rosales. "BMC with the help of Local 38 and it's members are keeping up strong and helping us hit our dates."

This project is located between the SOMA and Mid-Market neighborhoods in Downtown San Francisco. It will bring a unique balance of residential, office, retail, cultural, and open space uses to provide a connection point for all the surrounding neighborhoods.



Pictured top left is the Broadway Mechanical plumbing crew; lower left is the Critchfield Mechanical fitting crew; and above right newly-named Shop Steward Joe Mabutis flanked by Business Agents RJ Ferrari and John Corso.

# This Month In Local 38 History

Organized labor was able to make their voices heard in our recent election by voting for pro-union candidates who will bring legislation forward that helps working class families. But not all of our political battles have been fought in the polling booths. Over the years we have frequently found it necessary to take to the streets, demonstrating for or against various individuals or programs.

Known as "Rat Monday", on March 7, 1988 Local 38 joined thousands of San Francisco building trades workers who walked off the job to protest the conven-

tion of the Associated Building Contractors (ABC) and their anti-union employers held at the Moscone Center. This demonstration was one of the largest construction workers protests in San Francisco in the last forty years.

"The Unions are out here in force to try and demonstrate, to let the ABC Rat contractors know that workers want to be union," said Joe Mazzola, Local 38's Business Manager at the time. "They want to get decent wages so they can raise their families and have a decent living."

**Former Local 38 Business Manager at the Rat Monday demonstration, flanked by Metal Trades Organizer Cliff Schellin (red shirt) and Local 38 Organizer Mike Adan, Sr. (holding sign).**



# Local 38 Mail Box

## Impact of Scholarship is Amazing

Dear Larry Mazzola Jr. and Trustees of the U.A. Local 38 Scholarship Trust Fund,

I wish to express my gratitude for having selected me to receive the Joseph P. Mazzola scholarship for the 2020-2021 academic year.

Especially in the abnormal times we are currently experiencing, the impact this scholarship has on alleviating the costs of attending college is quite amazing. This scholarship, as well as the myriad of other great things Local 38 does for its members and their children, is truly inspiring and it makes me proud that my dad is a member of such an amazing Union.

Sincerely,  
Michael Thomas

## Labor Archives Appreciates Donation

Dear Larry,

On behalf of the advisory board and staff of the Labor Archives, we would like to thank you and the brothers and sisters of United Assoc. of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Local 38 for your donation. You also will receive an official acknowledgment from San Francisco State University which will serve as the official record for accounting purposes.

Your contribution is greatly appreciated. Funding from our friends goes directly to staffing to process new collections and to purchasing basic supplies such as archival boxes; it also enables us to create exhibits and host outreach programs

## Costello...

Continued From Page 1

ership team which shaped Local 38, including the development of the Konocti Harbor Resort and Spa, Camp Konocti, Local 38's outstanding Training Department and one of the best wage and benefit packages in the country.

"He was a good union man dedicated to his members and his union," Mazzola, Jr. concluded.

Brother Costello served as a Seabee during World War II before joining Local 38. During his tenure with Local 38 he was also deeply involved in San Francisco politics, serving on the Recreation and Park Commission, the Civil Service Commission and the Public Utilities Commission.

designed to increase public awareness of the contribution of organized labor and working people in the Bay Area. Your donation makes this and much more possible.

Sincerely yours,  
Catherine Powell  
Director, Labor Archives

## SF State University Says Thanks For Ongoing Support

Dear Mr. Mazzola:

On behalf of San Francisco State University, thank you for your recent donation for the Labor Archives Activities Fund.

Your organization's support plays an important role in ensuring the continued success of the Labor Archives and allows San Francisco State University to continue its proud traditions of academic excellence and community involvement.

Your commitment to San Francisco State University guarantees that our remarkable institution will continue to challenge and inspire its students and provide them with an outstanding opportunity to learn and grow in one of the nation's leading public urban universities. Sincerely yours,

Anjali Billa,  
Associate Vice President  
University Development

## Mills Hospital Appreciates Memorial Gift

Dear Larry,

Thank you for supporting Mills-Peninsula Hospital Foundation with your gift to the Greatest Need Fund in memory of Mark Michael.

Mills-Peninsula has a long and distinguished history of providing exceptional patient care to our local community. With your generosity, we are able to help our physicians and caregivers implement programs and acquire technology that improve the quality of life of their patients.

We are so fortunate to have one of the most advanced community hospitals in the country right in our backyard. Whether patients come into the Emergency Department, seek cardiovascular services or need advanced treatment at the Dorothy E. Schneider Cancer Center, they are experiencing the positive impact of our community's philanthropic support.

Our Foundation's long-term plan is to continue growing our programs and services to ensure Mills-Peninsula has the

resources necessary to meet the evolving needs of our patients for many years to come. And we can accomplish this mission as a result of the generosity of people like you.

Thank you again for your gift in support of our philanthropic mission----- Stay safe and healthy!

Sincerely,  
Patti Rueff, Chair  
Mills-Peninsula  
Hospital Foundation

## Catholic Charities Donation Supports Services

Dear Larry Mazzola,

We are grateful for the outpouring of support and truly appreciate your kindness. We received your gift to Catholic Charities and we thank you. Your generosity will make an immediate impact and create solutions to our community's most pressing challenges. Per your request, your gift will support Alzheimer's Day Program in memory of John Moylan.

Catholic Charities stands with those facing some of life's greatest hardships and unthinkable obstacles-offering solutions and new beginnings. Across our 30+ programs, we serve children, families, and individuals who are in greatest need. Catholic Charities has always been an essential partner to our community, providing support, compassion, and understanding through challenging times. Today is no different. We are committed to keeping our staff, clients, and community safe while navigating the coronavirus pandemic, just like we did after the 1906 San Francisco earthquake, the depression, the AIDS epidemic, and North Bay fires.

Thank you for supporting our community through Catholic Charities. Together with you, we are strengthening families and reducing poverty.

Blessings,  
Jilma L. Meneses, JD  
Chief Executive Officer

## Scholarship Allows Student to Continue Education

Dear Mr. Mazzola,

I wanted to reach out and say thank you so much for selecting me as a scholarship recipient. I truly appreciate your help for my educational journey. COVID has changed a lot of plans, but with your help I am able to continue learning.

I currently am going for my associate's

degree at the Santa Rosa Junior College until it is again safe to travel out of the continental U.S. When things return to a safe normal, I will be pursuing a degree at IJI-1 Manoa. I originally wanted to pursue a biology degree, but have been looking elsewhere more recently.

Again, thank you for the opportunity you created. Your generosity is truly kind and inspiring.

Thank you,  
Niarma Valle

## Scholarship Helps Pay For Studying Abroad

Dear U.A. Local 38 Trustees,

I apologize in advance for my late response, but I want to thank you sincerely for my scholarship award. I am so grateful for having received this award and the timing is perfect because I was trying to come up with the money to be able to spend a summer abroad in Ireland. The trip includes an in-depth look at the literary history of both Northern Ireland and the Republic of Ireland as well as a photography class that explores the historical architecture and landscape of the country. I now have the money to go on that trip and I will have plenty of money left over to put toward another study abroad program sometime down the line. I will also be using the money to further my educational goal of becoming a pediatrician. I thank you again for this very generous gift.

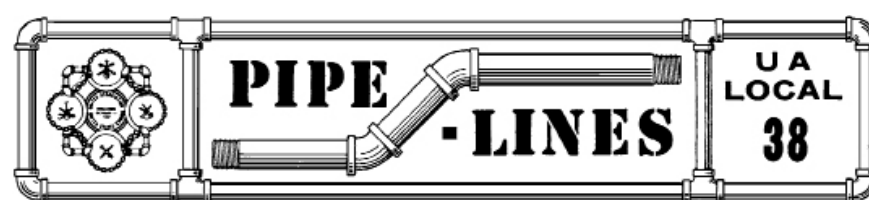
Sincerely,  
Teja Burgess

## Honored to be Part Of The Local 38 Family

Dear Local 38 Trust Fund,

Thank you so much for your continual support throughout my academic career. I feel immensely grateful to have received the Local 38 Joseph P. Mazzola Scholarship, which has allowed me to earn a Master of Public Health from the University of California, Los Angeles. I am excited to begin my professional career in the field of my choice as a COVID Administrative Analyst at my undergraduate alma mater, San Diego State University. I feel honored to be the daughter of a Local 38 member. Thank you for always supporting Local 38 families.

Sincerely,  
Laura Caracciolo



Pipelines is the official publication of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local Union 38. U.A. Local 38 holds general membership meetings on the first Wednesday of each month at 1621 Market St., San Francisco CA 94103, (415) 626-2000. Lawrence J. Mazzola, Jr., Business Manager/Financial Secretary Treasurer. Business Agents: Bill Blackwell, John Chiarenza, John Corso, R.J. Ferrari, Frank Reardon. Field Organizer: Tony Guzzetta. President: Dan McCormick III; Recording Secretary: Patrick Bell. Pipelines Editor: Rob Weinstein.



Website: [www.ualocal38.org](http://www.ualocal38.org)



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UA Local 38, Plumbers and Pipefitters  
from your Facebook Page.

# Memo...

Continued From Page 1

I want to thank everyone, particularly San Francisco Mayor London Breed and Supervisor Matt Haney, for attending the groundbreaking ceremony.

We have been working on this project for decades, and it is great to see it finally coming together. The project is another source of pride for the great city of San Francisco, and of Local 38's role in building our city.

## MODULAR HOUSING

One aspect of building our city is housing its residents, residents from all income levels. We understand the need for affordable housing, and I understand that modular housing can be part of the solution, if it is done correctly. Unfortunately the use of Factory OS is not doing anything correctly.

As detailed in the accompanying letter there are lots of problems with modular manufacturing. These problems go well beyond the loss of thousands of good building trades jobs, and include potential cost overruns, building and plumbing code violations, and shoddy work.

We cannot solve San Francisco's housing problems on the backs of local workers, and trying to do so will only compound problems. We need good jobs, apprenticeships, and the economic benefits that come from those jobs. The City, the building trades, and our communities need to work together to fight these problems, not to fight each other.

## DISTANCE LEARNING

Local 38 has seen a perfect example of people working together to solve difficult problems in the last year of work at the Local 38 Training Department.

Our trades, plumbing, pipefitting and HVAC work, is done on the job and in a classroom. Nobody had any idea how viable training could be through "distance learning."

But thanks to the hard work of Training Director Steve Mazzola, Curriculum Coordinator Liam Devlin, the Training Department staff and Local 38's dedicated instructors, we have been able to maintain the outstanding level of training provided our apprentices.

Changing course from on-campus classes to administering online learning for more than 500 apprentices at two different campuses, is no small feat. It entails not only the logistical challenges of setting up an online system, but it also includes a change in the fundamental approach to teaching.

How do you keep students engaged when they are tired of looking at a computer screen, or are distracted by the immediate needs of husbands, wives, children and even pets?

These questions and more have occupied the Local 38 Training Department for the past year. They have done an outstanding job of meeting these challenges. We have been able to provide first-class training online, as well as accommodating the need for hands-on lab work, certification testing, and even supplemental journeylevel training.

Thanks, everyone, for all your hard work and dedication.

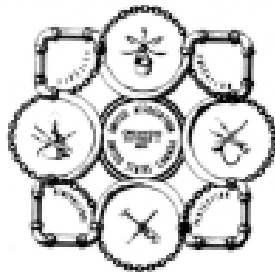
## ARPA OF 2021

With the passage of the American Rescue Plan Act of 2021 (ARPA) many more government resources have become available for workers during this pandemic. Coupled with the ongoing efforts of Local 38's officers and Trustees, there are lots of ways you can get help if you need it. Look at page 2 of this Pipeline, keep an eye on the Local 38 website and Facebook pages. There are lots of resources available which can help you and your family through this crisis.

# Modular Housing Fight Heats Up

*The following is a letter sent from Local 38 Business Manager and SF Building Trades President Larry Mazzola, Jr. regarding the ongoing dispute about the use of modular housing, and particularly the city's contracts with Factory OS (which uses wall-to-wall carpenters to do all trades work in the factory). The letter not only continues to point out the advantages of skilled, knowledgeable building trades workers and apprentices, but also itemizes many of the problems which have arisen as the result of using Factory OS on four San Francisco projects. Issues include not only the loss of prevailing wage and good benefit union jobs, but numerous building and plumbing code violations, and even possible serious health and safety concerns.*

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## UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY

LOCAL UNION NO. 38

1621 MARKET STREET • SAN FRANCISCO, CALIF. 94103

March 24, 2021

The Honorable London Breed  
City Hall, Room 200  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

### Dear Mayor Breed & All Members of the Board of Supervisors,

I write again as a follow-up on previous letters to you regarding prefabricated Modular Housing, and in particular, Factory OS.

The City of San Francisco is doing business with Factory OS on four projects in San Francisco.

Factory OS is currently building units for projects at Mission Bay, Treasure Island, 1064 Mission Street and 833 Bryant Street. The City claims it has nothing to do with 833 Bryant Street, but that claim is only made possible thru the use of smoke and mirrors.

As you know, Factory OS utilizes a workforce that is neither skilled nor trained in the construction crafts. In an effort to undermine family sustaining wages, they entered into a subpar agreement and use one of our own Unions as cover for this exploitation. Rather than lift up registered apprentices and journey workers, they task their employees with performing all trade's work including plumbing, electrical, painting and more. This creates a negative pressure on the skilled and trained workers of San Francisco, undermines area standards that are upheld with high-road employers, and perhaps worst of all, cheats the modular workers out the wages and benefits they could achieve through apprenticeship. It's a lose-lose experiment.

I trust you are already aware of these circumstances, but I am compelled to remind the City that it is doing business with an entity that is exploiting workers and selling you a product that is extremely substandard.

To prove this, let me explain just some of the issues that these Modular units have created on just one of these projects, 833 Bryant.

- All of the unit's plumbing hot water and cold-water connections were installed in a way that entailed extra work on behalf of the on-site plumbing contractor. Similarly, waste lines were installed incorrectly not allowing access to the on-site risers. Cold and hot water lines needed to be completely rerouted in order to tie the units in to the designed infrastructure.
- Water lines had to be rerouted as to not to clash with preinstalled and coordinated medicine cabinets.
- The penetrations for both hot and cold-water lines were not laid out and drilled as per detailed drawings.
- Additional labor and materials have been spent in order to fix incorrect prefabricated plumbing piping.
- Some units had the cold and hot water lines installed backwards (hot water is always on the left and cold on the right).
- Storm drain piping was installed without regard and had to be rerouted to avoid clashing with electrical piping.
- Multiple pipes prefabbed on the modular units did not align with the deck penetrations and resulted in additional labor and materials.
- Waste risers were installed too short and did not allow the connection between the two stacking units. Walls had to be torn apart to access the piping, the piping had to be replaced, and then the walls were reassembled. This occurred on most if not all of the units.
- Similarly, vent risers and piping were installed in a manner that did not let the unit piping tie into the on-site riser stacks. Condensate lines also had the same issue. Many offsets had to be field designed in order to make the units close to being code compliant.
- Multiple penetrations had to be re-drilled as the Factory OS penetrations did not line up from unit to unit.
- Air chambers were missing on the supply lines to the plumbing fixtures. This is a code violation that presently exists within some of the closed walls of the units.
- Vent piping was undersized as it travels up the building.
- Code violations have been uncovered as walls had to be opened up to handle the non-standard plumbing in each of the units.
- No two units were plumbed the same.

Every unit needed corrective measures and in effect removed any efficiency in installing these prefab units. Moreover, the extra work that has been required just on the plumbing systems has added significant money and time to the base contract amount. Any promised savings were eliminated by the lack of skills and knowledge, the lack of quality control and the non-adherence to the San Francisco and State Plumbing and Building codes.

Since the walls were opened due to all of the aforementioned issues, the San Francisco Plumbing Inspection office was able to notice that ABS (plastic) fittings were being used on the bathroom sinks (a code violation in the California and San Francisco Plumbing and Building Codes). They have instructed that all of the incorrect fittings be removed and replaced. However, it is important to note that those were the only ones that the Department was able to physically see. There are other items behind many of the walls that have not yet been identified and can cause health hazards if left unchecked.

These code violations are the result of the limited inspection process where less than 30% of the modules might be professionally inspected. The final products shipped are substandard, not to mention against fire codes. Factory OS is certainly aware of their deficiencies, as they have asked our union plumbing contractors on the job to go to Vallejo to teach their "carpenters" how to do plumbing.

When you think of Modular housing and think cheaper, well, you get what you pay for. There has been no time savings; costs are still being incurred to repair the inefficiencies. There is no quality or standard of work, and in the end, these units may not be cheaper at all.

Nothing can match a Union skilled and trained plumber! No one can match the five-year, state registered, apprenticeship program that we provide. Local 38 has first year apprentices that can do better work than what we are seeing with these untrained, unskilled "plumbers".

My question continues to be, why is the City doing business with an entity that exploits workers by grossly underpaying them and does poor work? Why are you shipping good paying jobs with benefits out of town to receive a stripped down, poorly assembled, version of what could be built on-site? Where has the pride of the City gone?

I have heard some of you say that you are proponents of Modular housing. I know you say that with the best of intentions to help the unhoused and low-income and to create more housing for all. I have always said, and continue to believe, we need to do everything we can to help unhoused and low-income people. But, I challenge you to meet these burdens without doing so on the backs of local workers. Good jobs, and good apprenticeship opportunities, are shipped out of town. Also shipped out of town are the economic sustainability that comes from our industry such as local hire, living wages, healthcare, and pensions and other economic benefits of properly spent public dollars.

Please do not approve additional Modular housing in San Francisco paid for in part or in whole out of the public coffers. What we have seen thus far is something that the City should be ashamed of.

If I cannot convince you to turn away this type of construction, then I implore you to think bigger and explore real opportunities to lift up workers here in San Francisco. Work with us and work with the San Francisco Building & Construction Trades Council. In partnership, we could create a modular facility with a skilled and trained workforce right here in San Francisco. This would have obvious environmental, job training, and economic recovery benefits. Only then could we realize a modular product with a professional, union trained workforce-on time and on budget and in a way that we can all be proud of.

Sincerely,

Larry Mazzola, Jr.

Bus.Mgr. & Fin.Secty-Treas.  
UA 38, Plumbers & Pipefitters  
President, SFBCTC