



Santa Clara Valley Water District

File No.: 20-0353

Agenda Date: 3/18/2020

Item No.: *2.10.

BOARD AGENDA MEMORANDUM

SUBJECT:

Update on the Condition of the Milpitas Pipeline and Determination that the Condition of the Milpitas Pipeline Continues to Constitute an Emergency (San Jose) (District 3).

RECOMMENDATION:

- A. Receive an update on the Milpitas Pipeline; and
- B. Determine by a four-fifths vote of the Board that there is a need to continue the emergency action declared by the Chief Executive Officer (CEO) on March 16, 2020, pursuant to California Public Contract Code §22050, to repair the Milpitas Pipeline.

SUMMARY:

On March 16, 2020, the CEO declared that the condition of the Milpitas Pipeline (MPL) constituted an emergency condition pursuant to California Public Contract Code §22050. The CEO further determined that Santa Clara Valley Water District (Valley Water) staff may repair such pipeline, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

According to Public Contract Code §22050, in order for the CEO's emergency declaration action to remain in place, the Board must initially review the emergency action not later than seven days after the action was taken, or at its next regularly scheduled meeting if that meeting will occur not later than fourteen days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by four-fifths vote that there is a need to continue the emergency action; this agenda item recommends the Board make such a finding. This item is being considered at a special Board meeting being held the day after the emergency was declared as the regular Board meeting schedule is uncertain at this time due to the impacts of COVID 19.

The current condition of the MPL poses an emergency condition as the pipeline supplies essential drinking water to the Milpitas area has developed a serious and impactful leak. This pipeline failure is causing significant localized damage to, and subsidence of, the roadway structure under the south-bound travel way of North Capitol Avenue, a highly traveled traffic corridor. The emergency condition continues to exist as the repairs to the MPL are not yet underway.

The MPL consists of approximately five (5) miles of 42-inch diameter welded steel pipe. The pipeline

was originally constructed in three major stages in the early 1990s. Several segments of the pipeline have been relocated since its original construction to accommodate other agencies' infrastructure improvement projects. The MPL is used to supply treated water to Valley Water's North San Jose and Milpitas service areas. In addition, the MPL is Valley Water's sole connection to the San Francisco Public Utilities Commissions (SFPUC) intertie facility. This supply line is important because it provides redundancy to the East Side treated water transmission system.

Based on the current leak and the associated risk, Valley Water cannot currently keep this pipeline in safe and reliable service unless repairs to the leak are promptly performed. Failure to keep this pipeline in safe and reliable service will pose a significant risk to Valley Water's ability to provide sufficient water to meet minimum water supply demands in the Milpitas service areas and to both access and support the SFPUC Intertie should there be a need.

In response to this emergency condition of the MPL, Valley Water staff activated the Water Utility Department Operations Center on March 17, 2020. Staff from various Valley Water business units participated and strategized on the necessary steps to move forward with the pipeline repairs.

To repair the MPL, it is anticipated a Contractor will need to: perform traffic control, excavate to the pipeline, shore the excavation, repair the pipe (most likely with welding), disinfect the pipeline, partially fill the excavation, test the repair, fill in the rest of the excavation, and restore the roadway.

Staff is recommending that the Board determine, by a four-fifths vote, that there is a need to continue the emergency action declared by the CEO, to enable timely procurement of necessary construction contract services, and other services, supplies and essential equipment, without competitively bidding the contracts to complete the repairs. Consistent with the statutory requirements, staff will return to the Board with an update at every regularly scheduled Board meeting until the emergency declaration is concluded.

FINANCIAL IMPACT:

Staff estimates repairing the MPL could cost in the range of \$0.5M to \$1.5M depending on the scale of the necessary repairs and the terms that can be negotiated with a construction contractor. There are sufficient funds available within the FY20 budget for the Water Treatment Small Caps Project (93764004). If repair costs are estimated to exceed the available funding, staff will recommend a budget adjustment for this work at a future Board meeting.

CEQA:

Impacts associated with the repair and maintenance activities of the MPL were evaluated by the Pipeline Maintenance Program and the Programmatic Environmental Impact Report, certified and approved by the Board on November 13, 2007. Consultation with the appropriate regulatory agencies will occur prior to construction.

ATTACHMENTS:

Attachment 1: Declaration of Emergency

UNCLASSIFIED MANAGER:
Aaron Baker, 408-630-2135