



Santa Clara Valley Water District

File No.: 20-0413

Agenda Date: 5/12/2020

Item No.: 5.2.

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:

According to Public Contract Code §22050, in order for the emergency action to remain in place, the Board must determine, by four-fifths vote at every regularly scheduled Board meeting until the emergency action is terminated, that there is a need to continue the emergency action; this agenda item recommends the Board make such a finding.

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 emergency declaration 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. The emergency condition continues to exist as the repairs to the MPL are 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.

The current condition of the MPL poses an emergency condition as the pipeline supplies essential drinking water to the Milpitas area and has developed a serious and impactful leak. This pipeline

failure was causing significant localized damage to, and subsidence of, the roadway structure under the southbound travel way of North Capitol Avenue, a highly traveled traffic corridor. Per California Public Contract Code §1102, an emergency is "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services."

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 and the Chief Executive Officer executed Contract C0659 with Kiewit Infrastructure West Company for the emergency repair work. The emergency repair work began and is currently progressing.

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 services, supplies and essential equipment, without competitively bidding the contracts to complete the repairs. Staff will return to the Board with an update at every regularly scheduled Board meeting until the emergency situation is terminated.

FINANCIAL IMPACT:

Contract C0659 has been entered into with Kiewit Infrastructure West Company in the amount of \$650,000 to perform the emergency repair work. Due to uncertainties regarding the precise scope of work needed to repair the pipeline, the payment terms provide for a maximum payment limit of \$650,000 which the contractor will earn on a time and materials basis. There are sufficient funds available within the FY20 budget for the Water Treatment Small Caps Project (93764004). If repair costs exceed the available funding, staff will recommend a budget adjustment for this Project 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 as required.

ATTACHMENTS:

Attachment 1: Declaration of Emergency

UNCLASSIFIED MANAGER:

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