



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6795
October 21, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6795: Water Supply Pipeline Project Update	☒ Discussion Only ☐ Action Needed: ☐ Motion ☐ Ordinance ☐ Resolution
RECOMMENDED ACTION:	Receive project update. No action necessary	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operation Kellye Hilde, Deputy Public Works Director Clint Morris, Capital Division Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Overview of SPU Supply map 2. Project Location Map
CITY COUNCIL PRIORITY:	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda item is to update the City Council on the status of the Water Supply Pipeline project (90.40.0032). This project will improve the resiliency of the City's water distribution system by replacing over 3,500 feet of aging Seattle Public Utilities (SPU) supply pipeline with earthquake resistant ductile iron pipe in a new alignment, as shown in Exhibits 1 and 2.

- In April 2024, a leak was discovered from the Seattle Public Utilities' 24-inch diameter water supply pipeline on Mercer Island. This is the supply pipeline that brings water to the City's reservoirs.
- The leak limited the Island's water supply until repairs to SPU's pipeline were completed in August 2024.
- In response to the water supply emergency, the City initiated an evaluation of alternatives to replace the failing segment of the SPU pipeline with a more resilient, earthquake-resistant water supply pipeline, potentially realigned away from the steep slope along SE 40th Street.
- In October 2024, the City Council authorized staff to include design and construction of the new water supply pipeline in the 2025-2030 Capital Improvement Plan ([AB 6530](#)).
- The scope of the project includes water infrastructure improvements, as well as roadway and pedestrian enhancements to improve efficiency, scheduling, and reduce overall construction impacts.

- In May 2025, the City Council approved Scarsella Brothers, Inc., as the Heavy Civil General Contractor/Construction Manager for the project ([AB 6690](#)).
- This project will construct over 5,000 feet of new 24-inch earthquake resistant ductile iron pipe in a new alignment owned and operated by the City.
- Roadway improvements will follow the water utility work on SE 36th Street, Gallagher Hill Road, and SE 40th Street, to include new curbs, sidewalks, and resurfacing.
- Design of the project has reached the 60% stage.
- Design and permitting is anticipated to be completed this year, with construction planned to begin in March 2026 and be completed by the end of 2027.
- The preliminary construction cost estimate for the water improvements is \$12.5 to \$13.5 million. This construction cost estimate is not final and will change as the project moves through the final stages of design.

BACKGROUND

SPU is the sole provider of potable water to Mercer Island (Exhibit 1). The SPU 24-inch water supply pipeline was constructed in 1956. A portion of the pipeline is located in the SE 40th Street public right-of-way and has required several leak repairs over the decades. Most recently, in April 2023 ([AB 6281](#)) and April 2024, the City was notified of major system failures on the SPU water supply pipeline. Although circumstances for each event were different, both events resulted in major water emergencies impacting the community.

The City and Shorewood Apartments are the two wholesale customers served by SPU's water supply pipeline. The City is responsible for 97.2% of the costs associated with this water pipeline; the balance is the responsibility of Shorewood Apartments. Given the overwhelming cost responsibility held by the City and the importance of this water supply pipeline, the City began exploring options to replace this segment of the SPU pipeline with a more resilient, earthquake resistant supply pipeline in an alternative alignment away from the steep slope along SE 40th Street.

April 2024 Event

On April 3, 2024, the City learned that the SPU 24-inch water supply pipeline to Mercer Island was leaking in the steep sloped area in the SE 40th Street public right-of-way, just north of where Mercerwood Drive meets SE 40th Street. Consequently, SPU crews significantly reduced and then shut off flow to the pipeline, eliminating its use as the primary water supply pipeline. Mercer Island received water through a smaller backup pipeline beginning April 4, 2024, and implemented emergency conservation actions due to the constrained water supply.

SPU and their specialty contractor, in coordination and collaboration with the City, completed repairs and testing, restoring flow through the SPU water supply pipeline on August 1, 2024. The repaired section was slip-lined with approximately 1,300 feet of structural liner, reducing its diameter from 24-inches to 17.4-inches. This loss of carrying capacity was analyzed to determine the impact on the City's water supply and was deemed acceptable.

In October 2024, the City Council authorized staff to include design and construction of the new water supply pipeline in the 2025-2030 Capital Improvement Plan ([AB 6530](#)). Although the primary driver for construction includes the installation of a new water supply pipeline, the project scope also includes other infrastructure improvements aimed at optimizing construction costs, scheduling, and minimizing impacts.

Shorewood Apartment Connection

Shorewood Apartments is currently a direct customer of SPU and is served through a connection along SE 40th Street. However, with the construction of a new water supply pipeline, the existing SPU supply pipeline will be decommissioned, and Shorewood Apartments will require a new water connection. The City Council approved the installation of two connections and master meters, fed from SE 36th Street at 88th and 90th Avenues SE, as part of this project to provide water service to Shorewood Apartments.

Following the completion of these connections, Shorewood Apartments will become a wholesale customer of the City of Mercer Island.

ISSUE/DISCUSSION

The City retained RH2 as the design firm for the project in January 2025. In May 2025, Scarsella Brothers Inc. was retained as the General Contractor for the project. Together, design work has continued and has reached the 60% stage milestone. The new pipe alignments, general footprint of the project, and roadway improvements are identified. Initial cost estimates have also been completed. While there are some remaining scope elements to be defined, the project is moving towards construction in Q1 2026.

This project has two primary phases: water and roadway. The underground and water work will occur first, starting in March 2026 and this is anticipated to last 10 to 12 months. Roadway improvements will follow, beginning in early spring 2027 and are estimated to take approximately 8 months to construct. Substantial completion of the project is expected by the end of 2027.

New Water Supply Pipeline

The project includes the construction of an earthquake-resistant 24-inch diameter water supply pipeline along a new alignment (Exhibit 2). This pipe will replace a significant segment of the existing SPU 24-inch diameter concrete cylinder water pipeline, which is not seismically resilient

The planned alignment for the new 24-inch water supply pipeline starts at SPU water supply pipeline near the Boat Ramp area, then continues north on East Mercer Way, west on SE 36th Street, southwest along SE Gallagher Hill Road to SE 40th Street, and east on SE 40th to 92nd Avenue SE.

The SPU master meter , which is a SPU owned meter that measures the entire volume of water being transmitted to the City, will be relocated to the Boat Ramp roadway vicinity. In addition, a short section of 12-inch pipe near the existing SPU meter behind the reservoir will be upsized to 24-inch to improve overall flow.

AC Watermain Replacement

To minimize construction disruptions along SE Gallagher Hill Road and achieve cost savings through economies of scale, replacement of an existing asbestos-cement (AC) water main within the roadway has been incorporated into this project (Exhibit 2). In recent years, the City has prioritized removing AC pipe from the water system with the goal of having all AC water main replaced by 2030. AC pipe was widely used from the 1940's to the early 1980's for water systems; however, as this material reaches its middle and late stages of useful life, it is prone to failure. To date, of the City's fourteen water main breaks in 2025, six have occurred on AC pipe. There are approximately 4 miles of AC pipe remaining in the City's water distribution system. This project will replace 1,500 feet of existing AC pipe, along with a Pressure Reducing Valve (PRV) at the bottom of SE Gallagher Hill Road.

Roadway Improvements

Roadway improvements will be constructed, following the water supply pipeline installation, testing, and startup. The scope of these improvements include:

- **SE 36th Street (Gallagher Hill Road to East Mercer Way)** – Restore roadway and sidewalks removed for pipeline construction, upgrade all sidewalk ramps to meet current ADA standards, rotomill and repave the roadway with a hot mix asphalt (HMA) overlay, raise utilities to grade, and install new pavement markings.
- **Gallagher Hill Road (SE 40th Street to SE 36th Street)** – Construct new curb and sidewalk along the east side (downhill lane), provide a paved shoulder suitable for bicycle use on the west side (uphill lane), install a full-width HMA overlay, raise utilities to grade, and install new pavement markings. The design team is also evaluating installing new street lighting with this project to accompany the new sidewalk.
- **SE 40th Street (Gallagher Hill Road to 93rd Avenue)** – Construct new curbs, sidewalks and bike lanes on both sides of the road, install a full-width HMA overlay, raise utilities to grade, and install new pavement markings.

Together, these improvements will repave approximately one mile of arterial roadways. These road projects are identified in the TIP for construction in 2026, funded through the Street Fund.

The design consultant submitted the 60% design package to staff earlier in October and the project team is currently reviewing those plans. The preliminary construction cost estimate for the water improvements is \$12.5 to \$13.5 million. This construction cost estimate is not final and will change as the project moves through the final stages of design.

NEXT STEPS

The project will continue reviewing the design and evaluating options for construction sequencing and timing of the various elements of the project to determine the best path forward. Among the scenarios under review is a phased approach involving partial closures of Gallagher Hill Road, with detours routed along Mercerwood Drive, first in the summer of 2026 for installation of the 24-inch main and subsequently in the summer of 2027 for roadway reconstruction. This concept would keep traffic moving and reduce delays and traffic queuing. Other advantages are fewer working days and lower construction costs.

The project team is also exploring the possibility of some night work along SE 36th Street. The recent work on the East Channel Bridge has shown how critical the SE 36th and East Mercer Way intersection is for moving traffic on and off the Island, and night work may be a way to minimize impacts during morning and evening commutes.

Other considerations include the pipeline's connection and activation. This includes timing and impacts to the City's system regarding demands, as well as coordination with other regional and local projects. It is anticipated that the switch over from the SPU pipeline to the new City pipeline will occur in January/February 2027, when water demand is at its lowest.

City staff will bring this project before the Utility Board at a future meeting to solicit further input regarding construction sequencing and associated impacts. Coordination is underway with WSDOT, as some of the water and roadway improvements will occur within the state right-of-way. As the project moves to the 90%

design phase, the construction sequencing, duration, and traffic impacts will be refined, and total project cost will be determined.

Staff plan to return to Council in early Q1 2026 with another project status report. Construction is tentatively planned to begin in March 2026. Water improvements are expected to be completed by early 2027, with road work immediately following. The whole project is anticipated to be substantially complete by the end of 2027.

RECOMMENDED ACTION

Receive project update. No action required.