



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6837
January 20, 2026
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6837: Water Supply Pipeline – Phase 2 Design Contract Approval	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve the Phase 2 design contract with RH2 Engineering, Inc for the Water Supply Pipeline Replacement Project.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Kellye Hilde, Deputy Public Works Director Clint Morris, Capital Division Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. 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	\$ 794,000
AMOUNT BUDGETED	\$ 5,748,380
APPROPRIATION REQUIRED	\$ 0

EXECUTIVE SUMMARY

This agenda item is presented to approve the Phase 2 design contract for the Water Supply Pipeline project (90.40.0032). This project will improve the resiliency of the City's water distribution system by replacing 3,500 feet of aging Seattle Public Utilities (SPU) supply pipeline with earthquake resistant ductile iron pipe in a new alignment (Exhibit 1).

- In April 2024, a leak from the SPU 24-inch diameter water supply pipeline on Mercer Island was discovered. The leak limited the Island's water supply until repairs to SPU's pipeline were completed in August 2024.
- During this water supply emergency, 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 on 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 current 2025-2026 capital budget includes \$5,748,380 for the Water Supply Pipeline project (90.40.0032).
- 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.

- The City entered into a contract with RH2 Engineering in February 2025 to perform preliminary design work on the project. This work has been completed.
- A new Phase 2 design contract is needed to complete the design work and produce final plans, specifications, permitting, and cost estimates. The Phase 2 contract will be with RH2 Engineering, Inc, for \$794,000 and is expected to be complete in March. Construction is scheduled to begin in April 2026.

BACKGROUND

SPU is the sole provider of potable water to Mercer Island (Exhibit 1). The SPU 24-inch water transmission line was constructed in 1956. A portion of the line 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 ([AB 6471](#)), the City was notified of major system failures on the SPU water supply line. Although circumstances for each event were different, both events resulted in major water emergencies impacting the Mercer Island community.

On April 3, 2024, the City learned that the SPU 24-inch water supply line 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 line, eliminating its use as the primary water supply line. 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 completed repairs and restored flow through the SPU water supply line on August 1, 2024. The repaired section was slip-lined with approximately 1,300 feet of structural liner.

During the 2024 water supply emergency, 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 on SE 40th Street.

In October 2024, the City Council authorized staff to include design and construction of the new water supply line in the 2025-2030 Capital Improvement Plan ([AB 6530](#)). Although the primary driver for construction includes the installation of a new water supply line, the project scope also includes other infrastructure improvements as follows:

New Water Supply Line

A new earthquake resistant 24-inch diameter water supply line will be constructed along a new alignment. This pipe will replace a significant segment of the existing SPU 24-inch diameter concrete cylinder water line. The existing SPU line is not considered resilient in seismically active areas, even under conditions of minor slope movement. The planned alignment for the new pipeline starts on the Frontage Road leading to the Boat Launch area, then continues north on East Mercer Way, west on SE 36th Street, southwest along SE Gallagher Hill Road to SE 40th Street, and then east to 92nd Avenue SE (Exhibit 1).

AC Watermain and Pressure Reducing Valve Station Replacements

Approximately 1,500 feet of existing 8-inch and 10-inch Asbestos Cement (AC) water main will be replaced along SE Gallagher Hill Road, along with a Pressure Reducing Valve (PRV) station at the bottom of SE Gallagher Hill Road. In recent years, the City has prioritized removing AC pipe from the water system, and this section of AC pipe had been scheduled for replacement in 2025 as part of a previously planned project. Due to Mercer Island's topography, pressure reducing valve (PRV) stations are required to maintain acceptable water

pressure Island-wide, making PRV stations an integral component of the City's water system. Like water main breaks, potential damage caused by PRV failures can be detrimental to the water system and surrounding neighborhoods. The City operates over 80 PRV stations. One of those stations is within the area of the new water supply line installation project and is at the end of its useful life.

Roadway Improvements

Following the water supply line installation, roadway improvements will be constructed to 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, mill 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 new street lighting, install a HMA overlay, raise utilities to grade, and install new pavement markings.
- **SE 40th Street (Gallagher Hill Road to 93rd Avenue)** – Construct new curbs, sidewalks and bike lanes on both sides of the road, install a HMA overlay, raise utilities to grade, and install new pavement markings.

The City is using the general contractor/ construction manager (GC/CM) project delivery method as an alternative approach to design and construction for this project. This method allows the City to bring a contractor on board early in the design phase to work collaboratively with the design team.

The City's GC/CM is Scarsella Brothers, Inc, a longstanding and local heavy civil construction contractor. They have been contributing valuable expertise in construction feasibility, cost estimation, and scheduling, which supports a more efficient and cost-effective project outcome. The City Council approved the selection of Scarsella as the GC/CM for this project after a qualifications-based competitive process on May 20, 2025 ([AB 6690](#)).

ISSUE/DISCUSSION

In January 2025, the City successfully completed a qualifications-based competitive process to procure engineering services and selected RH2 Engineering, Inc. as the design firm for the project. The initial scope of services included site surveying, development of preliminary designs, development of final designs, and engineering support during construction.

The City entered into a contract for preliminary design work with RH2 Engineering, Inc. in February 2025 at a cost of \$544,000. The scope of the Phase 1 contract was to determine the preferred pipe alignment, identify the major features of the water and roadway improvement work, and develop preliminary plans and cost estimates. This design scope has been completed and a new contract for Phase 2 design work is needed.

The second contract will take the preliminary design work (currently at approximately 60%) and advance it to a completed design with final plans, specifications, and cost estimates by the end of March 2026. The cost of the Phase 2 contract is \$794,000.

Construction costs for the project are currently estimated to be between \$12.5 and \$13.5 million. The Phase 2 design contract is approximately 6% of that cost.

NEXT STEPS

Design work and permitting is expected to be completed in the next several months. Staff plan to return to Council later in Q2 2026 with another project status report. City staff are also scheduled to bring this project before the Utility Board in Q1 2026 to solicit input regarding construction sequencing and associated impacts of connecting the new water pipeline into the City's water system.

City staff are actively engaging the community through the Let's Talk platform and are finalizing a comprehensive and detailed communications plan that will start rolling out in February 2026. Outreach efforts will include direct mail notifications to affected neighborhoods, press releases to the Mercer Island Reporter, coordination with Mercer Island School District regarding potential bus route impacts, and targeted communications with the French American School, the JCC, and other stakeholders along the project corridor to address anticipated impacts and detour planning. In parallel, the City's Customer Service Team is being briefed and will support the Public Works Team by responding to public inquiries and issues once construction is underway.

Construction is tentatively planned to begin in April 2026. Water improvements are expected to be completed in early 2027, with road work immediately following. The entirety of the project is anticipated to be substantially complete by the end of 2027.

RECOMMENDED ACTION

Approve the Phase 2 design contract with RH2 Engineering, Inc., a Washington-based corporation, for an amount not to exceed \$794,000 for the Water Supply Pipeline Replacement Project and authorize the City Manager to execute the contract.