



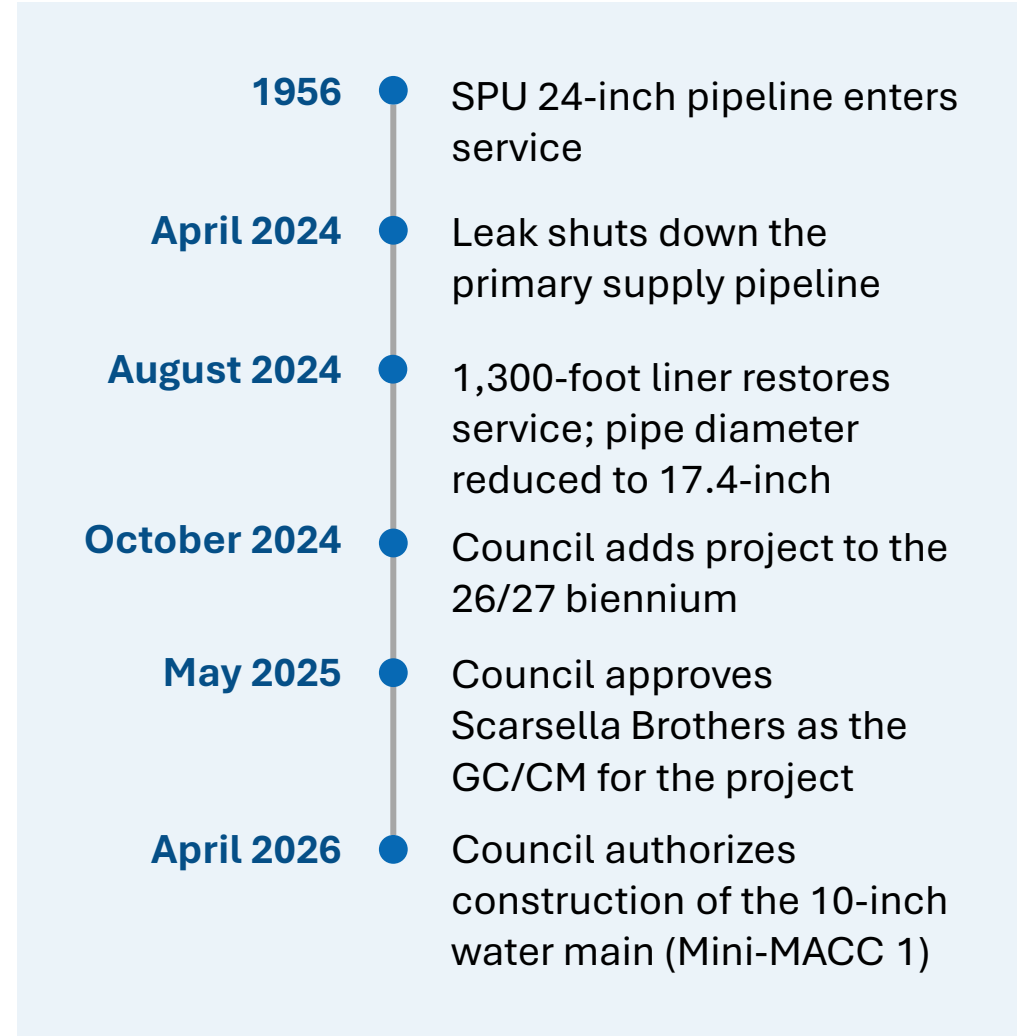
AB 6963 Water Supply Pipeline Project

September 1, 2026



Project Background

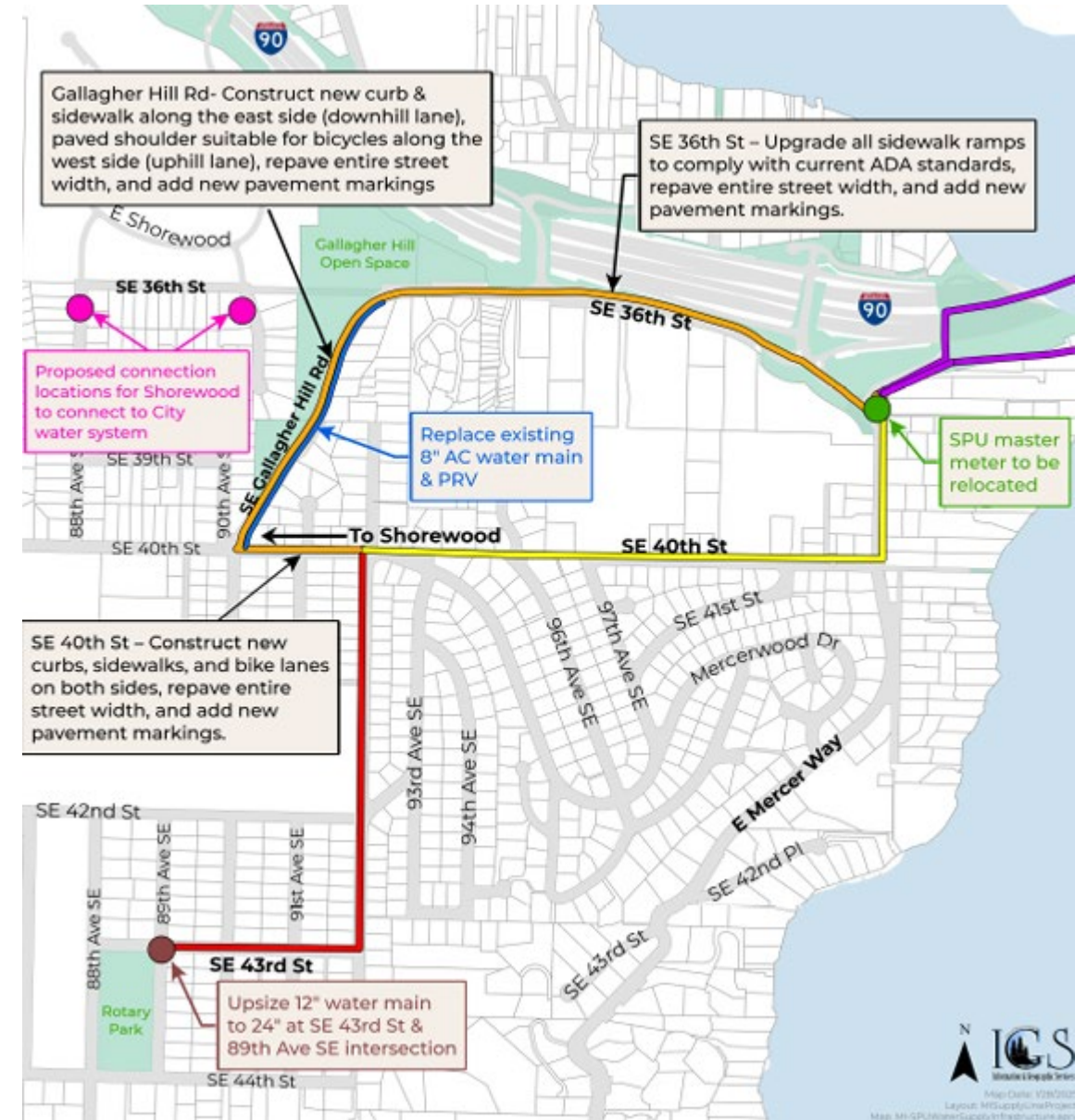
- Seattle Public Utilities is the City's sole provider of potable water. The City is responsible for approximately 97% of the existing supply pipeline's operating and replacement costs (specific to Mercer Island segments).
- The existing pipeline has required multiple repairs, including major system failures in April 2023 and April 2024.
- During the 2024 emergency, the City relied on a smaller backup pipeline and implemented water-conservation measures.
- The emergency repair restored service but did not provide the capacity, reliability, or seismic resilience needed for the City's long-term water supply.
- The project will establish a new, City-owned, earthquake-resistant supply pipeline in a more resilient alignment.



Project Scope

The coordinated project includes:

- More than 5,000 linear feet of new, City-owned, 24-inch earthquake-resistant water supply pipeline.
- A new alignment along East Mercer Way, SE 36th Street, Gallagher Hill Road, and SE 40th Street.
- Connections to the SPU water system.
- Replacement of the aging asbestos-cement water main on Gallagher Hill Road.
- New water connections and master meters serving Shorewood Apartments.
- Coordinated roadway, sidewalk, accessibility, drainage, and illumination improvements.



Heavy Civil General Contractor/Construction Manager Process (GC/CM)

GUARANTEED MAXIMUM PRICE AMENDMENT

Establishes the overall project construction cost and authorizes the remaining construction work

Overall Maximum Allowable Construction Cost (MACC) Maximum not-to-exceed construction costs

Mini-MACC 1
10-inch main

Mini-MACC 2
24-inch main

**Remaining
Construction**
Future
Authorization

Also includes project specific support, risk contingency, allowances, and other approved construction costs

+

**Specified General
Conditions**
Project management
and contract
administration

+

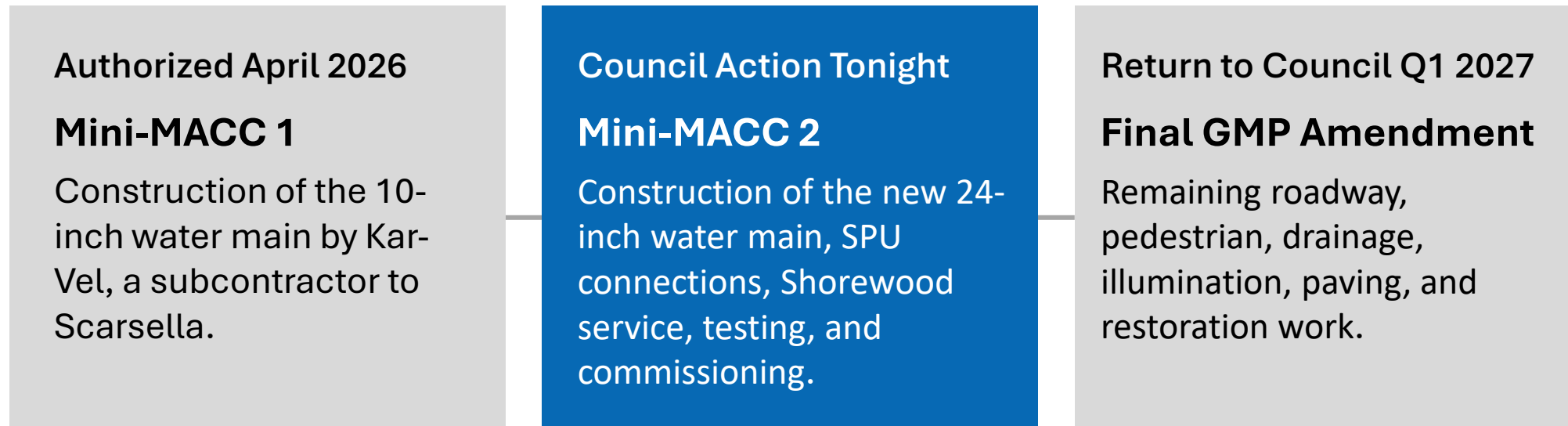
Fixed GC/CM Fee
Contractor overhead
and profit

=

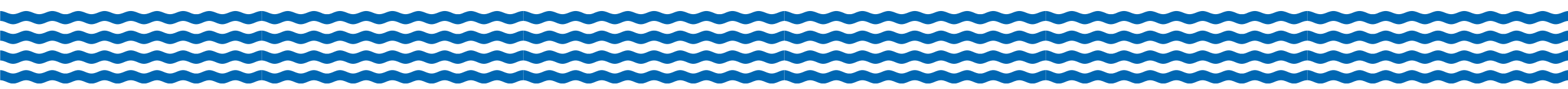
**Total Contract
Cost**
Established through
the Guaranteed
Maximum Price
Amendment

GC/CM Allows Construction to Proceed in Phases

The GC/CM process brings the contractor into the design phase and allows the City to authorize defined construction packages as the project advances.

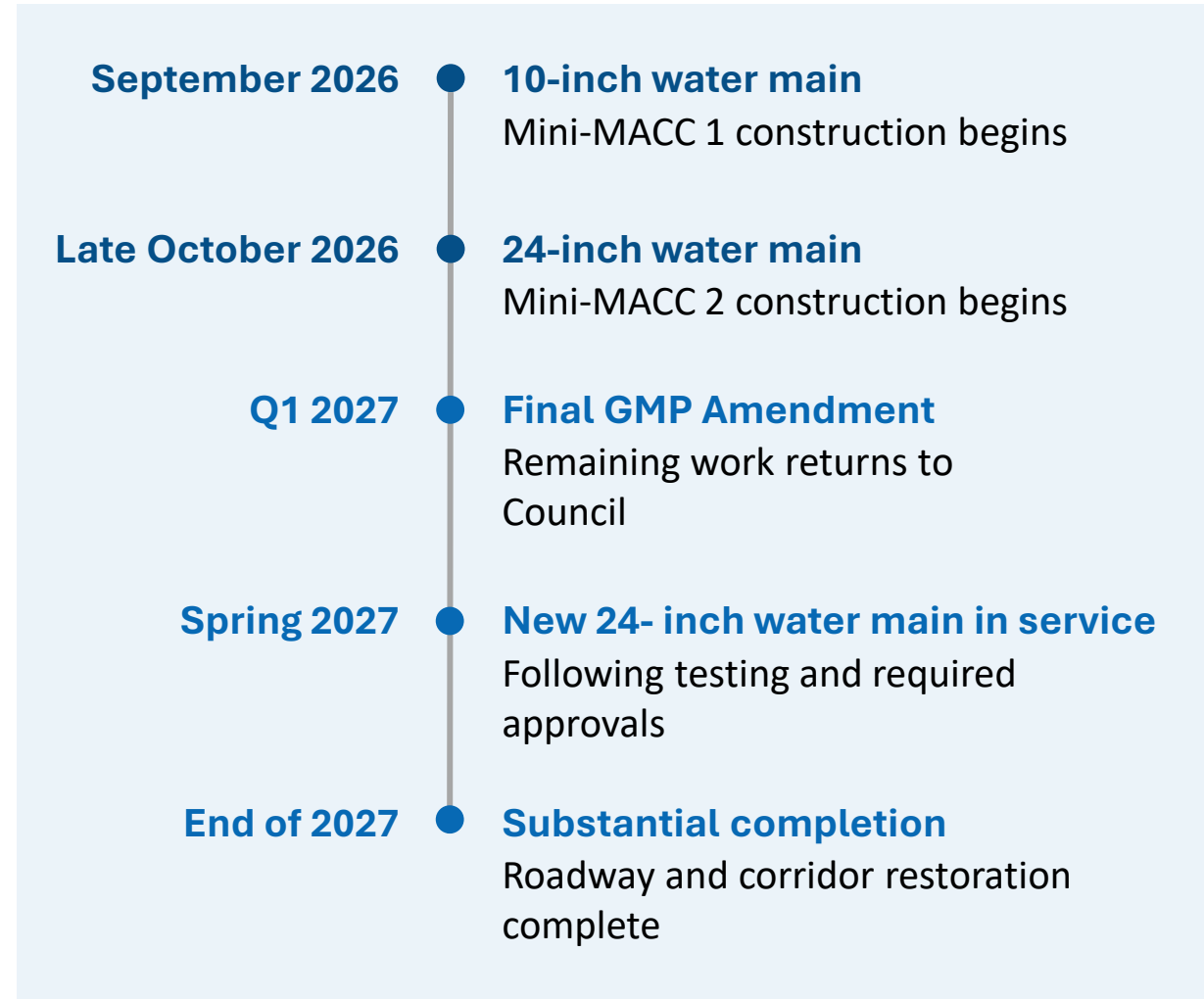


Each Mini-MACC authorizes a defined scope and maximum cost. Council will approve the final Total Contract Cost through the GMP Amendment.



Project Timeline and Next Steps

- Construction begins in fall 2026 and will continue through 2027
- Ongoing tasks throughout construction
 - Agency approvals and utility coordination
 - Contractor sequencing and traffic control
 - School and stakeholder coordination
 - Advance notifications
 - Let's Talk updates
 - Customer Service



City Council Action

Council Action Request

\$10,535,100

Mini-MACC 2

- Authorize Mini-MACC 2 with Scarsella Brothers, Inc
- Appropriate \$6,142,000 from the Water Fund available fund balance
- Authorize related documents necessary to complete the work

Funding for Mini-MACC 2

Remaining authorized budget	\$3,229,100
Department of Commerce grant	\$1,164,000
Addition Water Fund appropriation	\$6,142,000
Total	\$10,535,100

Council retains review of the final construction scope and total Contract Cost in Q1 2027