

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/9/2014	(3) CONTACT/PHONE Scott Duffield, Project Manager (805) 788-2316	
(4) SUBJECT Submittal of a resolution to continue emergency contracting for Nacimiento Water Pipeline repairs and continue the authorization of the Director of Public Works to execute contracts up to \$425,000. District 1.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution, by 4/5 vote, which will waive the requirement of a competitive bidding process to continue emergency repair contract work on the Nacimiento water pipeline, and continue the authorization of the Director of Public Works to execute contracts up to \$425,000.			
(6) FUNDING SOURCE(S) Nacimiento Operating Fund (2200002000)	(7) CURRENT YEAR FINANCIAL IMPACT \$425,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 7/18/14, #49; 8/12/14, #24; 8/26/14, #15	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 14SEP09-C-9

## County of San Luis Obispo



TO: Board of Supervisors  
FROM: Public Works  
Scott Duffield, Project Manager  
VIA: Dave Flynn, Interim Director of Public Works  
DATE: 9/9/2014

SUBJECT: Submittal of a resolution to continue emergency contracting for Nacimiento Water Pipeline repairs and continue the authorization of the Director of Public Works to execute contracts up to \$425,000. District 1.

### **RECOMMENDATION**

It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution, by 4/5 vote, which will waive the requirement of a competitive bidding process to continue emergency repair contract work on the Nacimiento water pipeline, and continue the authorization of the Director of Public Works to execute contracts up to \$425,000.

### **DISCUSSION**

On June 2, 2014, the Nacimiento water pipeline had to be shut down due to a significant leak that was discovered in a remote section of Camp Roberts near the Nacimiento River. Teichert Construction, the original contractor for this segment, has had a representative on site to assess the leak condition but has taken no formal action. On July 8, 2014, your Board adopted a resolution which waived the requirement of a competitive bidding process to allow emergency repair contract work on the Nacimiento water pipeline, and authorized the Director of Public Works to execute contracts up to \$100,000.

On August 12, 2014, your Board approved a similar resolution which waived the requirement of a competitive bidding process to allow emergency repair work on the Nacimiento water pipeline and authorized the Director of Public Works to execute contracts in a collective amount of \$275,000; and, on August 26, 2014, your Board approved a similar resolution which waived the requirement of a competitive bidding process to allow emergency repair work on the Nacimiento water pipeline and increased the authorization of the Director of Public Works to execute contracts in a collective amount of \$425,000.

Investigations into the cause and extent of the leaks continue. Based on available information, the prudent and expeditious actions are to continue to perform forensic investigation, repair the leaks, and put the pipeline back in service. This will allow for water delivery from the system to the project participants. The District has been advised by the manufacturer of the pipe, and confirmed by the project's designer, and an independent consultant, that it is acceptable to put the pipe back in service.

Although Nacimiento water provides a supplemental water source to numerous participating agencies throughout the region, the drought conditions in San Luis Obispo County have stressed the primary sources of water and further exacerbated the importance of having Nacimiento water available. The timely repair of the Nacimiento water pipeline and restoration of water deliveries to the participating agencies for distribution to their customers continues to be extremely urgent.

The initial leak was identified on July 9, 2014, in a segment of pipeline installed via horizontal directional drill methods under the Nacimiento River. This leak was temporarily repaired by contractors retained by the San Luis Obispo County Flood Control and Water Conservation District (District) under the emergency contracting resolution. The following is a summary of the field work efforts thus far:

- Week of July 14<sup>th</sup>: Teichert did not respond to County's request to fix. The District mobilized contractors under the emergency contracting resolution.
- Week of July 21<sup>st</sup>: District contractors repaired the identified leak. Subsequent pressure testing of the now isolated river crossing failed. Additional work efforts discovered additional leaks and spot deterioration of the pipe's lining on the west half of the crossing, additional leaks discovered.
- Week of July 28<sup>th</sup>: District contractors initiated further investigation of the easterly half of the crossing.
- Week of August 4<sup>th</sup>: An initial representative sample of the Nacimiento River crossing pipe was retrieved and will be tested for compliance in coordination with Teichert. Additional samples at the leak location(s) may be taken later.
- Week of August 11<sup>th</sup>: District contractors and staff continued investigation of the river crossing pipes, including dewatering and video inspection efforts. District staff initiated expanded investigation work to the Salinas River north crossing.
- Week of August 18<sup>th</sup>: District contractors and staff continued investigation work at the Salinas River north crossing.
- Week of August 25<sup>th</sup>: District underwater contractor diving crew mobilized and setup to take physical internal pipeline measurements inside the Nacimiento River crossing pipe. The underwater diving crew also to begin installing steel band seals inside the pipe over the observed leaks after internal pipe measurements are done.

The work anticipated to occur over the next couple of weeks may include but not be limited to forensic investigation support, interim repair of leaks, temporary repair of access points into the pipeline, pipeline restoration for system startup, and site restoration. County Counsel has retained the service of an expert pipeline engineering consultant to assist in pipeline forensics, condition assessment and remediation efforts.

In order to continue to conduct investigative work in a timely manner, we request Board approval of the attached resolution, by a 4/5 vote, which will continue to waive requirements for conducting a competitive bid process, under emergency contracting procedures provided by Public Contract Code Section 22050 and allow the Director of Public Works to continue to engage sole source contractors to complete this work. As part of the resolution, the Director of Public Works would be granted continued authority for this specific action with collective contracting authority not to exceed \$425,000.

Pursuing these additional repairs is expected to provide a reduced but significant opportunity to operate the pipeline and deliver water. Staff continues to communicate with Teichert Construction to provide a permanent fix or replacement, but is pursuing the determination of a permanent repair in parallel with these field investigations in order to realize full system capacity beginning in spring of 2015.

Public Works is returning to your Board at intervals of no less than fourteen days or at the next regularly scheduled meeting, whichever is later, in accordance with Public Contract Code Section 22050 to assure that the actions are necessary.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Nacimiento participating agencies that receive Nacimiento water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, and County Service Area 10A. At a meeting of the Nacimiento Technical Support Group (TSG) held August 14, 2014, the TSG supported the forensic investigation, repairing the leaking locations, and restoring the pipeline to delivery service. District staff is pursuing a work plan to provide a permanent repair and/or replacement pipeline to provide full capacity capability to the Nacimiento Water Supply system at the request of the TSG.

The County Purchasing Agent has reviewed and concurs with the recommendation.

The Office of County Counsel has reviewed and approved the attached resolution as to legal form and effect.

#### **FINANCIAL CONSIDERATIONS**

The work is being funded from the Nacimiento Operating Fund. Sufficient budget exists, at this time, to cover the anticipated cost of the repair. Pursuant to the emergency contracting resolution, as of the end of August 2014, costs are at approximately \$195,000.

Final financial responsibilities will be determined upon further review with Teichert Construction.

#### **RESULTS**

Approval of the recommended action will authorize the Department of Public Works to engage contractors on an emergency basis, allow the Director of Public Works to execute contracts with outside parties for this work and restore the pipeline to delivery service. This will lead to a safer and well-governed community.

File CF 622.100.01

Reference: 14SEP09-C-9

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**ATTACHMENTS**

1. Vicinity Map
2. Resolution to Continue Emergency Contracting for Leak Identification and Repair of the Nacimiento Water Pipeline Unit A1