



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-431

Board Meeting Date: 6/8/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael Callagy, County Manager
Adam Ely, Project Development Unit Director

Subject: Agreement with California Water Service

RECOMMENDATION:

Adopt a resolution authorizing the President of the Board of Supervisors to execute an agreement with California Water Service for the pipeline relocation for the Cordilleras Health System Replacement Project in an amount not to exceed \$250,000 and in a form substantially similar to the attached draft agreement.

BACKGROUND:

The Cordilleras Project, located at 200 Edmonds Road, will replace the existing facility, a converted tuberculosis hospital that is over 60 years old, with multiple new residential facilities that meet modern standards of care for individuals who have serious mental illness. The new facilities will provide clients a smaller scale, homelike setting that will be conducive to treatment and recovery. Facilities will include four MHRC buildings, each housing 16 residents, a co-housing unit for 57 residents, a multi-use campus center, and a variety of healing outdoor areas.

The Project will preserve the beauty and serenity of the existing natural environment while providing a safe and attractive setting for patient care and family engagement. Cordilleras is designed to operate at Zero Net Energy (ZNE) and to achieve certification in Leadership in Energy and Environmental Design (LEED).

On November 17, 2020 this Board adopted Resolution No. 077863, establishing a total budget for the Project of \$155,000,000. On November 18, 2020, the Project Development Unit (PDU) issued a Notice to Proceed (NTP) for construction on the project. Construction is currently ongoing and is in the mass grading and site utility installation phase.

DISCUSSION:

Following issuance of the NTP, the General Contractor identified a previously uncharacterized high-pressure potable water pipeline, operated by California Water Service (Cal Water), which runs along

Edmonds Road and through the Cordilleras Project site. The pipeline is essential to deliver potable water to County residents formerly served by the Skyline County Water District.

Given the Cordilleras Project's proximity to the pipeline, the need to ensure un-interrupted operation of the pipeline and access to it, and the potential for substantial delay and cost impacts to the Cordilleras Project if the pipeline is not relocated, the County and Cal Water determined that it was necessary and in their mutual interest to relocate the pipeline.

The relocation agreement sets forth the parties' roles and responsibilities related to the pipeline relocation, which is estimated to cost no less than \$565,000. Per the agreement, the County will make a lump-sum contribution of \$250,000 towards the pipeline relocation. The County will also collaborate with Cal Water on execution of licenses or easements necessary for Cal Water to continue to use and occupy the new line location. Cal Water will be responsible for design and installation of the pipeline and all other costs, including any and all overruns due to unanticipated conditions. The PDU is currently finalizing certain details and exhibits of the agreement that will not affect the not-to-exceed amount.

Because relocation of the pipeline minimizes delay and re-design impacts to the Cordilleras Project while ensuring continuity of water services to those residents who are served by the pipeline, and because the agreement limits the County's responsibilities related to the relocation, PDU recommends approval of the agreement with Cal Water.

County Counsel has reviewed and approved the Agreement and Resolution as to form.

FISCAL IMPACT:

Funding for this agreement is included in the Project budget.