



Memorandum

Date: 6/16/2026
Meeting of: City Council

File No. AM No. 26-095
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Public Works	Aaron L. Bert	425-556-5814
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DEPARTMENT STAFF:

Finance	Jeanette St. Paul	Capital and Grant Analyst
Public Works	Chris Stenger	Deputy Public Works Director

TITLE:

Authorization to Accept Washington State Department of Commerce Grant Funding for the Redmond Asbestos Cement Pipe Replacement Project

OVERVIEW STATEMENT:

Council will be asked to authorize acceptance of a \$970,000 grant from the Washington State Department of Commerce Local Community Projects Program for the Redmond Asbestos Cement Pipe Replacement Project located along Avondale Road and NE Novelty Hill Road upstream of Bear Creek.

The grant funding will support design and construction activities associated with replacement of deteriorating asbestos cement (AC) water mains with ductile iron (DI) pipe as part of the existing Pavement Management - Avondale Road (NE 90th Street to Novelty Hill Road) Capital Improvement Program project.

Key project elements include:

- Surveying and permitting
- Engineering and design services
- Site preparation and mobilization
- Removal of existing asbestos cement water mains
- Installation of new ductile iron water mains and associated fittings
- Testing and commissioning
- Site restoration and demobilization

The project provides several public benefits including:

- Improving reliability and long-term performance of the City’s water distribution infrastructure
- Improving drinking water system resiliency and service reliability for residents
- Reducing the potential for water main failures and emergency repairs
- Protecting water quality and reducing risks of turbidity and pollutants reaching Bear Creek and downstream salmon habitat
- Leveraging state grant funding to offset existing City Water Capital Fund expenditures

The Department of Commerce awarded the funding through a direct legislative appropriation under Substitute Senate

Bill 5195, Laws of 2025, Section 1027. The City has completed all required pre-contracting requirements associated with the grant agreement, including Department of Archaeology and Historic Preservation (DAHP) coordination, Tribal notification requirements under Executive Order 21-02, insurance documentation, and site control verification.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Water System Plan; Capital Improvement Program; Pavement Management Program
- **Required:**
Authorization required to execute Grant Agreement No. 26-96647-234 with the Washington State Department of Commerce.
- **Council Request:**
None
- **Other Key Facts:**
On November 18, 2025, Council approved Budget Adjustment #4 for the 2025-2026 Biennial Budget, appropriating \$970,000 in Washington State Department of Commerce grant funding into the Water Capital Projects Fund (403). The grant funding is intended to supplant existing City funding previously allocated to the project.

The total project budget is \$3,273,146, consisting of:

- \$970,000 State Capital Budget Grant Funds
- \$2,303,146 Local Funds from the City Water Capital Fund

The Department of Commerce grant is reimbursement-based and includes a 5% retainage holdback pending project completion verification. The project is anticipated to be completed by November 2027.

OUTCOMES:

Approval of the grant agreement will allow the City to proceed with reimbursement of eligible project costs associated with replacement of aging asbestos cement water infrastructure while reducing the financial burden on the Water Capital Fund.

The project will improve water system reliability, reduce long-term maintenance risks, and support environmental protection efforts within the Bear Creek watershed.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**

- Coordination completed with Washington State Department of Commerce
- DAHP and Tribal consultation completed pursuant to Executive Order 21-02
- Coordination with internal Public Works engineering and utility staff
- Project is part of the adopted Capital Improvement Program and ongoing Pavement Management work along Avondale Road

- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
\$3,273,146

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
2025-2026 Budget Adjustment #4

Budget Priority:
Healthy and Sustainable Infrastructure

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

The grant funding reimburses eligible project costs and reduces reliance on Water Capital Fund revenues previously allocated for the project. The City remains responsible for local matching funds and any non-reimbursable project costs.

Funding source(s):

- Washington State Department of Commerce Local Community Projects Grant - \$970,000
- City Water Capital Fund - \$2,303,146

Budget/Funding Constraints:

Grant reimbursements are limited to eligible expenses within the approved scope of work and subject to Department of Commerce reimbursement requirements and retainage provisions.

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
6/2/2026	Committee of the Whole - Planning and Public Works	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
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N/A	None proposed at this time	N/A
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Time Constraints:

Grant agreement execution is required to allow reimbursement of eligible project expenditures and maintain project delivery schedule.

ANTICIPATED RESULT IF NOT APPROVED:

Failure to approve the grant agreement may result in loss of \$970,000 in state funding and increased reliance on City Water Capital Funds to complete the project.

ATTACHMENTS:

Attachment A: Washington State Department of Commerce Grant Agreement No. 26-96647-234

Attachment B: Project Budget Summary

Attachment C: Project Location Map