



**City of Lake Oswego/City of Tigard Water Supply Partnership
Summary of Oversight Committee Meeting #12
Meeting held December 6, 2010**

Lake Oswego employee Jane Heisler called the meeting of the Lake Oswego/Tigard Water Partnership Oversight Committee to order at 3:32 p.m. on December 6, 2010, in the Oswego Conference Room at the West End Building, 4101 Kruse Way, Lake Oswego. Technical Committee member Joel Komarek joined the meeting later.

Present:

City of Lake Oswego	Oversight Committee: Councilors Mary Olson and Bill Tierney Staff: Jane Heisler, Ursula Euler, Kari Duncan, Laura Barrie, Joel Komarek Brown and Caldwell Staff: Jon Holland
City of Tigard	Oversight Committee: Councilors Sydney Webb and Gretchen Buehner Staff: Rob Murchison and Brian Rager
Guests	Amy Waterbury, Cheryl Uchida, Gerald Mott, and other Park Hill neighbors

Councilor Tierney asked Ms. Heisler to move the Communications Update forward on the Agenda to give Councilor Olson a few more minutes to arrive. The meeting did not follow the order on the Agenda, so the corresponding numbers have been removed.

COMMUNICATIONS UPDATE

Ms. Heisler had Ms. Barrie hand out a communications packet, which included articles and conceptual drawings of the Water Treatment Plant. One article in the Lake Oswego Review focused on water rights on the Clackamas River. There will be a response to that article in next week's Review.

The communications team has been working with the neighbors around the Water Treatment Plant on a good neighbor plan. A second conceptual drawing was produced including feedback from those neighbors. Many issues were reflected including, but not limited to:

- Moving the tallest buildings to the center of the site
- The two pathway concepts
- Keeping the utility corridor/emergency access road from giving Mapleton owners an unobstructed view of the plant
- Adjusting parking with additional buffering
- Turning the clear well on the existing property

The communications team will draft a good neighbor plan for review at the Robinwood neighbor meeting in January. Councilor Buehner asked if the neighborhood will buy off on these changes. Ms. Heisler believes the group senses that the City wants to work with them on being the best possible neighbor.

Councilor Tierney asked about the Maple Grove properties that the project requires approval from 75% of the neighbors. Ms. Heisler stated that those property owners received a letter about two weeks ago. Universal Field Services, the City's Right of Way agent, is making contact. Ms. Heisler mentioned that there is a survey on the website which gives the neighbors the ability to prioritize their various concerns.

Ms. Heisler stated that Lake Oswego's City Council would be reviewing the Supply Facility Capital Improvement Program on December 7, 2010. Followed by a meeting to discuss water rates and rate design on December 8, 2010.

CALL TO ORDER/ROLL CALL

APPROVAL OF MINUTES FROM MEETING #11

Councilor Buehner motioned to approve the minutes from the November 1, 2010, meeting; Councilor Webb seconded the motion. A voice vote was taken, and the motion passed with Lake Oswego Councilors Olson and Tierney and Tigard Councilors Webb and Buehner voting 'aye' (4-0).

WALUGA RESERVOIR/10TH STREET TANK

Councilor Tierney asked to hold the presentation on the Waluga Reservoir prior to public comment. Matt Maring with Brown and Caldwell gave an overview about the reservoir siting and the 10th Street tank.

a. Alternatives analysis findings

Based on the last Oversight Committee meeting, Brown and Caldwell was tasked with some alternatives review. The first handout in the Oversight Committee packet was a table explaining the cost implications from those alternatives. This table was broken into 5 columns, which were:

- Recommended 3.5 MG Waluga at Grade
- 3.0 MG Waluga at Grade and 0.5 MG at 10th Street
- Northern 3.5 MG Waluga on Fill
- Northern 3.0 MG Waluga on Fill and 0.5 MG at 10th Street
- 3.5 MG at 10th Street

Mr. Maring explained issues resulting from each of the alternatives; these issues included but were not limited to:

- Reservoir Dimensions
- Distance to Neighboring Property Lines
- Tree Removal
- Risks
- Partnership Impacts
- Estimated Construction Cost Increases

Councilor Olson asked for the dimensions of the existing 10th Street tank. Mr. Maring stated the old tank is 36 ft. diameter x 75 ft. tall. Mr. Maring directed attention to the 10th Street Location aerial map to see the size of the existing tank. The final cost increase associated with

leaving 0.5 MG storage at the 10th Street location is \$1.6 Million over the current project cost. The 10th Street storage would decrease the diameter of the Waluga reservoir by 10 feet; it would not decrease the height.

Councilor Tierney asked about the impact on operating expenses if there are two reservoirs instead of one. Mr. Maring mentioned it is higher because there would be more facilities to look after; however, tanks are not really intensive in terms of operating costs. Mr. Tierney asked if it would be significantly more and Mr. Maring said it would not be extravagant.

Councilor Olson asked how many more trees at 10th Street would be removed. Mr. Maring qualified that there is a good survey of all the trees at Waluga which was performed by an arborist; at 10th Street, there is not that same detailed information. It was estimated that about 10 to 20 trees would have to be removed. Councilor Olson asked if the tank is decommissioned, would it be dismantled. Mr. Maring stated it could either be dismantled or drained and left in place; it would be up to the City to decide. Mr. Holland mentioned that he believes the tank would have to come out to avoid continuing maintenance costs. Councilor Olson asked how many trees would come out to remove the tank. Mr. Maring said less than it would be to build a new tank, but there would need to be some removed for access. Mr. Maring also wanted it noted that because of the tank's age, it probably has lead paint so construction crews would need to be careful about containing that lead paint.

Mr. Maring stated that the next alternative was a more northerly location for the Waluga tank. The primary difference between the northern location and the recommended location is that the northern tank would need to be constructed on fill which would result in additional costs. This arrangement also presents some real challenges for engineering and seismic stability. The recommended location at Waluga would site the tank on existing grade where there is solid bedrock.

Councilor Buehner asked about other cities having issue with fill liquefying during an earthquake; how would the program address that issue? Mr. Maring stated that it is addressed through very careful placement and engineering of the fill to be able to withstand that specific design condition; not only stability of the fill itself but stability of fill with a tank on top. It is an added level of complexity, an added level of cost, and potentially an added level of risk. Mr. Komarek added that there are longer-term O & M issues associated with landscaping the fill slopes. Councilor Olson asked if any of the recommended location is on fill. Mr. Maring responded no; that is why that location is preferred; the tank can be sited on what is called cut. Councilor Tierney asked if there was any other spot that would not require fill. Mr. Maring responded not on the existing properties, but there is one down in the park. Councilor Buehner asked if it was significantly lower. Mr. Maring stated there is a steep slope that would need to be looked at by a geotech engineer. Councilor Tierney asked how far away from residents it would be. Mr. Maring stated it would be quite close to the residents on Heritage Lane. Mr. Maring stated the estimated added cost for the northern site is \$1.2 million. That is the capital costs only; it does not include the O & M costs to maintain the fill and the potential additional risk the City would be taking. Then the project team looked at a combination of that northern site with 0.5 MG at 10th Street; because of the additional tank, the added cost goes to \$2.8 million. Mr. Maring stated on the two northern sites the number of trees impacted increases somewhat because of the fill slopes.

Mr. Maring stated that the extreme right hand column on the table shows what would happen if the project puts all 3.5 MG at the 10th Street site. There is an active water pump station that would probably need to be relocated. To get 3.5 MG at the 10th Street site, the tank would need to be 85 feet tall. The additional costs add up to about \$2.6 million. Additionally there is the stranded investment of the properties that were purchased at Waluga, which was about \$3.5 million. This option adds up to a total of \$6.1 million in additional costs that does not include the costs to relocate the pump station. Building the Waluga tank at the 40-foot height relative to the existing 20-foot tank solves an existing pressure deficiency in the Waluga pressure zone. This 10th Street site would not accomplish that. The tank is too far away and could not be constructed to the height needed to correct those deficiencies.

Councilor Olson asked why it was assumed that the Waluga property would be a stranded investment as opposed to selling the property. She stated that after the tank is decommissioned at 10th Street that property could also be sold. Mr. Komarek stated that the Waluga property is not being used for the purposes it was purchased for. Whether it can be sold now to recover the investment is unlikely. The City would probably hold on to it for a period of time to wait for more favorable conditions. Councilor Olson asked if the 10th Street property was owned by the water fund and could it be sold. Mr. Komarek answered it could be sold. Councilor Buehner asked how large the property at 10th Street is. Ms. Heisler answered it is four platted lots. Mr. Maring answered it is about ½ an acre. Mr. Komarek stated that if it is sold, there would be the cost to remove the tank and the pump station. Councilor Buehner asked what it would cost to remove the tank. Mr. Maring stated that the information has not been estimated yet. Councilor Olson asked if there was an option such as 1.0 MG at 10th Street and 2.5 MG at Waluga. Mr. Maring answered that there are any different combinations that could be assessed to come up with 3.5 MG of storage. The reason the project team focused on the 0.5 MG is that that is the amount that would replace what exists on the site in-kind with the minimum amount of impact. Ms. Heisler mentioned that there are some planning issues; the area is zoned for only 50 feet high, which includes a variance. Mr. Komarek mentioned that the tank would have to be 35 feet above that. Councilor Olson stated that the existing tank is already 75 feet tall. Ms. Heisler said it could be a non-conforming use. Mr. Maring stated that the more volume the project shifts to 10th Street, the greater the cost. The 10th Street site is at a lower elevation and thus the tank has to be taller per unit gallon; therefore the expense to build at 10th Street is greater than the expense to build at Waluga.

Councilor Tierney asked what the minimum height is at Waluga to cover the pressure deficiencies. Mr. Maring answered the 40 feet that is specified. The height was specifically calculated as the minimum height that would still address pressure deficiencies; diameter of the tank is not a factor.

b. Technical Committee recommendation

Mr. Komarek stated that it is the Technical Committee's recommendation to move forward with the current proposal before Lake Oswego's Council on December 7; Tigard's Council on December 14. The Supply Facilities Capital Improvement Program includes a 3.5 MG, 40-foot tall tank, at the City-owned property at Waluga Park. Councilor Buehner asked if it was possible to get a better breakdown on how it would affect the Tigard residents' rates. Mr. Komarek answered the assumption is that these changes would not affect Tigard's costs at all. The agreement is pretty clear that because the proposed changes are not driven by a

condition of approval by a land use permitting body there would be no partnering in any of the additional costs. Councilor Olson wanted to know what the \$1.6 million translates into as far as rates. Mr. Komarek mentioned that ozone is \$18 million and that translates into 17 cents per day. Councilor Tierney asked if the 17 cents was calculated considering Lake Oswego's share of the ozone was 45%. A Lake Oswego resident will pay 17 cents per day for ozone. A Tigard resident will pay less.

PUBLIC COMMENT

Mr. Komarek opened the meeting to public comment.

Ms. Amy Waterbury mentioned that she wanted to make a comment on behalf of the Waluga neighbors. The neighbors continue to be opposed to the proposed reservoir as it is currently planned including the size, height, location and capacity. Neighbors were not aware this reservoir was going in and if they had heard about it, they had no idea of the size and proximity. The existing reservoir is about the surface space of 2/3 of a football field and the new reservoir is about the surface space of 1/2 a football field, so that equates to bigger than a football field of concrete tanks behind or in front of homes. The general feeling is that the neighborhood is being thought of as a dumping ground. In case it has not been made clear, she wants it known that every foot of additional size up and out does matter to the neighbors. Make it smaller make it further is the neighbor's mantra. She appreciated the table and thanks the Councilors for their diligence in asking the questions that the neighbors had and thanks the committee for the willingness to explore the alternatives. Ms. Waterbury would like to know if there is a location between the comparisons that were provided on the table where there is a sweet spot where it is on some fill but it is feasible. She would like to get a definitive answer with regards to what tomorrow night's vote would mean. Does it lock the design for the proposed reservoir or is there still room for modifications. She would also appreciate an update on the time line. She thought the design phase was coming up in 2011, but then she thought she heard at LONAC that it would be one of the last projects.

Mr. Komarek mentioned that Council's vote tomorrow night would be to approve the SFCIP, a portion of which is the construction of the Waluga reservoir with 3.5 MG capacity, 40 feet tall, at the City's Waluga site. It does not mean that through the design process, the project team would stop looking at designs that would mitigate or minimize impact during construction and ultimately for operation and maintenance. The team would continue to look at landscaping, buffering, berming, or anything that the City can do to minimize the impact to Park Hill residents. The flexibility to change volumes and heights is not part of the recommendation. Mr. Maring stated exact location is not shifting.

Mr. Holland stated that a designer for the reservoir would come on board in the fall of 2011. Construction would not begin until summer 2012, or possibly a little later. Ms. Heisler stated that the project team could begin the discussions with the neighbors about the best solutions for screening, buffering, planting and paint color. Mr. Komarek stated that the project team would want to interact with the neighbors during the early design phase to make sure that when the application is submitted it reflects the neighbors' concerns.

Councilor Olson asked if Council approves the plan tomorrow night, will there be any option to change later. Mr. Komarek stated there are always options to change. There is an additional cost associated with the change. Councilor Olson asked if the Council would talk about this information

tomorrow night. Mr. Komarek answered no. The project team is reviewing everything today with the Oversight Committee so that the committee members can go into the Council meeting tomorrow night with information to be shared with fellow Councilors.

Councilor Tierney asked Ms. Waterbury if Parkhill includes Hartford Place as part of the neighborhood and if Ms. Waterbury was representing everyone in that area with her comments. Ms. Waterbury answered yes. Councilor Tierney asked at what site is the reservoir the maximum distance from all the neighbors. Mr. Maring stated the optimum site for removing the reservoir as far as possible from all the neighbors including Park Hill is the recommended location if the goal is to avoid putting the tank on fill. If the tank is going on fill, it could be moved a little farther north. Councilor Olson asked about moving it east and closer to the existing tank. Mr. Komarek stated there needs to be clearance between the existing tank for construction and pipelines. Mr. Maring stated that the further north and the further east the tank is moved, more fill will be required. Councilor Tierney mentioned there are neighbors to the south and the west, so it would seem to him the furthest distance from all neighbors would place the tank on all fill, which would be in the magnitude of \$1.5 million extra with the risk associated with a water tank on fill. Mr. Maring stated it would be in that order. Councilor Webb mentioned she would not want a tank on fill. She asked if the tank could go on bedrock and be taller. Mr. Maring mentioned if the tank is on bedrock and taller, there could be a mismatch between the floor of the existing tank and the floor of the new tank which creates some operational challenges and will also bring the cost up. Councilor Olson asked Ms. Waterbury about the “every foot matters” in size, so even shrinking the diameter by 10 feet would be important. Ms. Waterbury answered yes, it could save a few trees so that there is more of a screen.

Councilor Olson wants to know why Waluga has to absorb all of the potential expansion. She believes it would be to the City’s benefit to keep a water tank presence on 10th Street in case additional storage is needed in the future. Councilor Tierney mentioned that the Councilors should increase the budget by \$1.6 million (all Lake Oswego’s share). Councilor Olson stated that was what she would recommend. Councilor Tierney stated he would support it. Councilor Tierney mentioned the strongest reasons are associated with the existing site which then drives the conversation to mitigation. What can the project team do to lessen the impact? He believes shrinking it 10 feet but leaving it 40 feet tall is something, but there may be other things that would make the neighbors happier. He would support increasing the budget to give latitude. Ms. Heisler mentioned that the project team feels pretty strongly that you can achieve your goals of higher pressure and saving money as well as making the reservoir a good neighbor. Mr. Komarek mentioned that one thing that concerns him a little bit is that there really have not been any conversations with the neighbors at 10th Street about constructing a new tank and demolishing the existing tank. Ms. Heisler mentioned the maximum height in the zone with a variance is 50 feet, so the project team would be significantly challenged, if not fatally so, by trying to build a 75-foot tank. Councilor Olson stated she would like to leave the door open rather than shut it tomorrow night.

Ms. Cheryl Uchida asked what the zone designation is at 10th Street. Ms. Heisler mentioned it is R6. She asked if there was a good neighbor plan developed for the Lake Forest neighborhood as well as the Waluga neighborhood association. Ms. Heisler stated the project team hopes to develop one with the immediate neighbors and certainly anyone from Waluga and Lake Forest can participate in that. Ms. Uchida asked if that process would begin at the design stage. Ms. Heisler said yes. Ms. Uchida asked if the one at Robinwood has already begun because that project is already at the design phase. Mr. Komarek mentioned that the Water Treatment Plant is the first

facility going out for design. The project team is in the process of procuring firms to do the design which will begin in January.

Ms. Heisler mentioned that the project team has met with the reservoir neighbors several times. Ms. Uchida stated she does not feel like all the neighbors were included. Ms. Heisler mentioned that there was a huge mailing list for the first meeting. The team continued to invite the people who attended that meeting as well as the officers and board members of the two neighborhoods. Ms. Uchida asked if there is a record of who was at those meetings. Ms. Uchida asked when the project decided to purchase the land for the new reservoir within the boundaries of the Waluga neighborhood association. Ms. Heisler stated that the land is partly in Waluga and partly in Lake Forest. Ms. Uchida asked if the Lake Forest neighborhood association was notified of the zone change as well as the purchase. Ms. Heisler mentioned that the zone change has not occurred yet. Ms. Heisler stated that the existing reservoir straddled two parcels so there was a lot line adjustment to site the reservoir on one parcel. The zone change and the design review will come later. Ms. Uchida asked how much later. Ms. Heisler stated it would follow the design of the reservoir. Ms. Uchida asked if that went before the planning commission. Ms. Heisler said yes.

Gerald Mott asked if anyone at the table attended the meeting that was given for emergency preparedness. He stated that there was information about the Cascadia Subduction Zone, which is where the North American plate overrides the Juan de Fuca plate. These plates run from Northern California clear up to the middle of Vancouver Island. When these plates slip, the earthquakes can be in excess of 9.0 on the Richter scale. During these earthquakes, the ground can liquefy. The last time one of these occurred was in the 1700s. Some experts believe we are closely approaching the time when this can happen again. It was mentioned I-5 would be closed, all bridges would be non passable or down. It would take years to restore our infrastructure. Mr. Mott questions putting 7.5 million gallons in one location. These reservoirs will be sitting over numerous homes and over a public park. Mr. Mott asked the Councilors when they vote to consider the neighbors are feeling as if they are faced with Clint Eastwood pointing his 44 saying "you feel lucky?"

FUTURE AGENDA ITEMS/NEXT MEETING DATE

No future meeting date has been decided.

ADJOURN

Councilor Buehner moved to adjourn and it was seconded. Ms. Heisler mentioned it was Tigard Councilor Sydney Webb's last meeting. Everyone thanked Councilor Webb for her work on the project.

Attachments: None

Approved: March 7, 2011