1. CALL TO ORDER/ROLL CALL

Tigard Mayor Craig Dirksen was excused.

2. APPROVAL OF MINUTES FROM MEETING #18

Mr. Komarek asked for approval of minutes from the last meeting held on October 10, 2011. Councilor Buehner motioned to approve, Councilor Olson seconded the motion. A voice vote was taken, and the motion passed with Lake Oswego Councilors Tierney and Olson, and Tigard Councilor Buehner voting ‘aye’ (3-0).

3. PUBLIC COMMENT

There was no comment.

4. DISCUSSION OF PRIOR ACTION ITEMS

Mr. Komarek mentioned that there was a memorandum dated November 10, 2011, distributed in the packets regarding procurement of water treatment plant process equipment. This item was described verbally at the last Oversight Committee meeting; the memorandum is a written follow up to that discussion. It appears it will not be possible to create a competitive environment for this equipment because there is really only one vendor. There have been discussions with the City Attorney’s office to talk about the process of sole sourcing and the contracting rules that would pertain to that process. Councilor Tierney asked if the trial that is going on at the pilot plant has to be approved by the state. Mr. Komarek answered there will be data that is generated from the pilot project which will be reviewed and approved by the state. These types of equipment, particularly ozone and ballasted flocculation, are approved for use in water treatment but our
plant is testing these at rates that are higher than normal from what the state has approved in the past. **Councilor Tierney** asked if the program will have to wait to purchase the equipment subsequent to those events. **Mr. Komarek** answered no; similar systems are currently being used at the Wilsonville plant so the state already has that history. **Councilor Tierney** asked when the program would intend to purchase this product. **Mr. Komarek** answered sometime shortly after the first of the New Year. Thirty percent of design on the water treatment plant wraps up in January and so the program will want to procure these services and get the vendor on board to assist in the design before progressing much further along in the design process. **Councilor Buehner** asked if the flocculation testing will be complete before that. **Mr. Komarek** stated the ballasted flocculation system arrived at the end of October; consultants are still optimizing that process. It is going to be on-site for about five weeks until mid-December. Staff is hoping to have a nice heavy rainfall in the watershed to see how the system deals with elevated levels of turbidity. **Councilor Olson** asked if moving ahead assumes the state will not find an issue with the data that is given to them on the ballasted flocculation. **Mr. Komarek** answered that staff does not anticipate there being any issues from the state’s review of this process. **Councilor Tierney** stated he would be supportive of the sole source procurement process but wants to make sure that it is properly timed to consider other issues that can affect the project.

5. **EMERGENCY SUPPLY TO WEST LINN**

**Mr. Komarek** stated that the packet contained a memorandum that discussed the design capacity of the supply system. As staff looks at some of the unit processes that are planned as part of the water treatment plant expansion such as ballasted flocculation, ozone and other systems; it appears that for a small incremental increase in cost, the plant can be increased immediately to its ultimate capacity. The chosen technology allows for a smaller footprint but also provides higher rates of water treatment. By expanding capacity to 38 mgd now, the program can avoid a future land use process in West Linn and another disruptive construction project in the Robinwood neighborhood. Because of the economy, there is a very competitive market and it is expected to stay competitive for the next few years; who knows what it will be in ten to fifteen years. It is the Technical Committee’s recommendation that the program should move forward by designing these systems for a treatment capacity of 38 mgd. The only thing that might be added in the future would be pumps at the finished water pump station and the river intake pump station. The structures themselves, including the electrical systems, heating and cooling would be sized and built now for the ultimate capacity. **Councilor Buehner** asked how much disruption would there be to put in the pumps later. **Mr. Komarek** stated they would all be internal structures so there might be a crane to lift the pump up and drop it into the pump station building. **Councilor Buehner** asked if it would be invisible to the neighbors. **Mr. Komarek** answered they would not even notice it.

**Councilor Olson** asked if the 3.5 million capacity at the Waluga Reservoir would change. **Mr. Komarek** answered no. **Councilor Olson** asked if that assumes the 38 mgd. **Mr. Komarek** stated it assumes the storage requirements for Lake Oswego’s ultimate needs in the zone as well as what Tigard needs for purposes of supplying the Bonita Pump Station. It is not as much related to the 38 mgd as it is to the Water Master Plan and what is anticipated in terms of storage needs in the service level that the reservoir serves. It is a combination of peak day demand, fire flow demands in that zone and how much storage is necessary in that reservoir for emergency supply purposes. Those three components were added up and it was decided it made sense to build one reservoir now rather than potentially build a 3rd reservoir in the future. **Councilor Tierney** asked if the
Councilor Tierney asked if the reservoir is still sized correctly. Mr. Komarek answered that it is. Councilor Tierney asked if this will mean upsizing the reservoir. Mr. Koellermeier answered the goal is to accomplish avoidance of upsizing or a 3rd reservoir through pumping size at Bonita and the finished water pump station.

Councilor Olson mentioned that one of the bullets in the memorandum stated that this would give the opportunity to beneficially use the whole 38 mgd and perfect our full rights. She thought we were already doing that. Mr. Komarek stated the program is going through the extension process and has laid out a time line within which it is believed the full 38 mgd can be used by the year 2040. There is a 20-year renewal period meaning if the full 38 mgd is not used in 20 years, the program will have to go through that process again for the 6 mgd or whatever portion has not been used. Expanding now and finding a potential market for that 6 mgd whether it is an emergency supply basis to West Linn or on a different kind of basis to another community would create an opportunity for us to fully utilize that water now.

Councilor Olson asked about the delta between the 32 mgd and the 38 mgd being only $1 million. Mr. Komarek answered that is an estimate; it is approximately $1 million. Councilor Olson asked if it includes the pumps and motors for the intake. Mr. Komarek stated it does not, those were estimated at about $400,000 for the river intake pump station. Councilor Olson asked if the ongoing operating costs like electricity, etc. were included. Mr. Komarek answered that the estimate does not include electricity costs going forward; only capital costs were included. If those pumps were installed now, they would become part of the rotation; all pumps do not run at one time, it would give the option for varying which pump starts first and which one starts second. Councilor Olson asked if this helps the pumps wear evenly. Mr. Komarek answered yes. Councilor Olson asked if this would change the split. Mr. Komarek stated that needs to be discussed; however, because of the small cost there may not be much difference. Mr. Koellermeier mentioned when the partnership agreement was being developed it was anticipated that the delta would be substantially more than $1 million; he believes $10 or $20 million was the estimate. As more data has been developed, such as the ballasted flocculation which only comes in units of 20s meaning the program will either purchase 20 or 40 units, it seems to make more sense to build to the larger amount sooner; the Technical Committee decided they needed to take the question to the Oversight Committee now. Mr. Komarek mentioned all the facilities kept shrinking; 6 filters instead of at one time there was going to be 14; the 6 filters are slightly larger and will be operated at a higher filtration rate giving the capacity without the footprint, excavation and concrete. Councilor Buehner asked how much the footprint will be reduced. Mr. Komarek answered that Pete Kreft (MWH) and Lynn Williams (Brown and Caldwell) mentioned in the Pilot Plant presentation to the Oversight Committee a few months ago that the footprint for the ballasted flocculation is about half the size of the conventional sedimentation basins. Ms. Heisler mentioned there will be some slides at the Joint Council meeting that show that footprint shrinking. Councilor Buehner stated that should feel good to the neighbors. Mr. Komarek said yes, they got a preview of it last week. He mentioned the more compact footprint does not come
free; there is an expense to the partnership. It makes construction a little harder because the existing plant must keep functioning while demolition and construction of new buildings occurs right next to existing operating facilities.

Councilor Olson mentioned there have been so many changes to the project since 2008 when the IGA was signed, it would be helpful to see the beginning estimate and what the split was and then all the changes that have been made since then. Not a lot of detail, just a list, such as shrunk the treatment plant, upsized the pipe, decided to use ozone, decided to use ballasted flocculation, etc. She is more interested in Lake Oswego’s part, but thought that Tigard might want the same thing. Mr. Koellermeier mentioned the 30% cost estimating work will be completed in March, so the Technical Committee could give an update at the April Oversight Committee meeting.

Councilor Tierney mentioned that at one point the delta was up in the neighborhood of $20 million and now it is around $1 million. There was a reason the 32 mgd was chosen. Mr. Koellermeier stated it was a substantially larger number than this, but he would have to check the Carollo Report for the actual number. Councilor Tierney asked if the $1 million is everything does it include the design, engineering, equipment, etc. Councilor Olson answered it sounds like it is everything except for the intake pumps so maybe the dollar amount is $1.5 million. Councilor Tierney asked how good are the rest of the estimates? Mr. Komarek answered +30 -20.

Councilor Olson reiterated that it would be nice to see all the changes. Mr. Koellermeier stated that it would be a good exercise. Councilor Buehner mentioned it will probably be plus here, minus there and end up close to the original number. Councilor Tierney stated this leads to the question of what will the project do with the extra capacity?

Councilor Tierney asked what is the cost of everything if the project downsizes to 32 mgd? Councilor Olson stated she asked that same question about a year ago. Mr. Komarek mentioned that is basically answered by saying the cost to go from 32 mgd to 38 mgd is $1.5 million. Mr. Koellermeier answered it would not be a big difference because of the size of the units that have to be purchased. Mr. Komarek stated the pipes would be the same size for either 32 mgd or 38 mgd. Councilor Buehner asked if pipes only come in certain sizes. Mr. Komarek answered the pipes come in certain increments of sizes; but it is the cost of digging the trench, mobilizing the contractors, the bonds, insurance, permitting all of that leading up to the actual construction, the pipe itself is not a major component of the overall installed cost of a large pipeline.

Councilor Tierney stated he thinks it makes sense at this point to plan to go to the full capacity. Councilor Buehner mentioned it seems that for a relatively small amount of money it is going to save so many headaches and reduce staff time in the long-term. Councilor Olson said the concern that she hears is that the project is spending all this money now to benefit people 40 years from now. Councilor Buehner stated that is what she heard in the 1960s when the current plant was being built, it has not changed.

Mr. Komarek stated it sounds as if the Oversight Committee would be supportive of the Technical Committee moving forward and building to 38 mgd. Councilor Olson reiterated it would be good to have the answer to where the extra water is going. Mr. Komarek stated he would like to be able to answer that question as soon as possible. Councilor Buehner said it depends on who wants to cover their bases; West Linn or somebody else. Mr. Koellermeier stated that for a $1.5 million investment, with the going rate of the commodity, the program can be making money for a
long time over the 75-year life-expectancy of this system. Councilor Buehner mentioned that with all the delays in the Haag Lake project it seems that some of the neighboring communities are going to want to get water. Since the pipe is already in the ground it would just be a matter of connecting to it. Councilor Buehner asked for an estimate of when the Technical Committee will know where the water will go. Mr. Komarek stated he hoped to know something by the end of this month.

6. FUTURE AGENDA ITEMS

No items were discussed.

7. NEXT MEETING DATE

The next Oversight Committee meeting will be Monday, December 12, 2011, from 6:00 p.m. to 7:00 p.m. at the Santiam Conference Room at the West End Building in Lake Oswego.

8. ADJOURN

Mr. Komarek adjourned the meeting at 6:40 p.m.

Attachments: None
Approved: December 12, 2011