



**City of Lake Oswego/City of Tigard Water Supply Partnership
Summary of Oversight Committee Meeting #28
Meeting held
September 10, 2012**

Lake Oswego Technical Committee Member Joel Komarek called the meeting of the Lake Oswego/Tigard Water Partnership Oversight Committee to order at 5:33 p.m. on September 10, 2012, in the Oswego Conference Room of the West End Building; 4101 Kruse Way, Lake Oswego.

Present:

City of Lake Oswego Oversight Committee: Mayor Jack Hoffman (arrived 5:35pm), Councilor Bill Tierney

Staff: Joel Komarek, Vanessa Deets

Other: David Donaldson, Ursula Euler

Kennedy Jenks Brad Moore

City of Tigard Oversight Committee: Mayor Craig Dirksen, Councilor Gretchen Buehner
Staff: Dennis Koellermeier, Rob Murchison

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1. CALL TO ORDER/ROLL CALL
 2. APPROVAL OF MINUTES FROM MEETING #28

Mr. Komarek asked for approval of minutes from the last meeting held on September 10, 2012. **Councilor Buehner** motioned to approve, **Councilor Tierney** seconded the motion. A voice vote was taken, and the motion passed with Tigard **Mayor Dirksen**, and Lake Oswego **Councilor Tierney** and Tigard **Councilor Buehner** voting 'aye' (3-0).

3. PUBLIC COMMENT

There were no guests in attendance.

4. DISCUSSION OF PRIOR ACTION ITEMS

- Emergency Water Supply Agreement Update

Mr. Komarek stated last Tuesday he brought forward the draft update to the Emergency Water Supply Agreement to the Lake Oswego City Council. **Councilor Tierney** stated Council would agree to the Agreement if it was brought back after being executed by West Linn. **Mr. Donaldson** mentioned staff could bring back the agreement again next week for review by Lake Oswego Council. **Mr. Koellermeier** added Tigard Council is expected to approve the agreement on the 25th. **Mayor Dirksen** does not see any issues with the approval. He asked if the new agreement took place, if it would replace the existing agreement. **Mr. Komarek** replied if the new agreement is adopted by all parties at that point it replaces the 2003 agreement regardless of whether or not

the expansion goes forward. If the expansion does not go forward the next step would be for staff to issue a notice of termination because Lake Oswego would not be able to supply the water. **Mayor Dirksen** asked if there is any advantage to informing West Linn that the old agreement cannot be enforced anymore. **Mr. Komarek** stated the resolution and the agreement would be on the Lake Oswego Council agenda on the 18th for adoption. In Mr. Komarek's absence at the upcoming meeting, David Donaldson or David Powell will present it to council.

- Status of Oregon Parks Commission Hearings

Mr. Komarek stated Oregon Parks and Recreation Department (OPRD) was originally set to deliberate on a grant of easement and an offer staff presented for a pipeline through MSY but the meeting was set over to November 7.

Councilor Tierney asked for an explanation of the \$90,000 to be spent on MSY improvements. **Mr. Komarek** stated the figure came about from politics in West Linn. The park is owned by the State but is managed by West Linn through a license agreement. The just compensation for a subsurface easement and a temporary construction easement also evoked a state policy which speaks to when a land exchange between the State Parks Department and a private or public entity occurs. The requesting entity must show there is an overwhelming public benefit offered to the state in exchange. **Mayor Dirksen** asked if the granting of an easement is considered an exchange. **Mr. Komarek** answered West Linn is interpreting their policy in that way. Partnership staff and legal counsel do not see it that way. Strict reading of that policy does not talk about easements at all, its talks about land exchange.

Staff has agreed to find a way to provide overwhelming public benefit to satisfy their policy and also to provide further evidence that staff intends to be a good neighbor with the project. The recommendation from the State was that staff should work with our Natural Resources Manager and the City of West Linn to identify improvements to be made within the park that would satisfy the overwhelming public benefit and would address some of the issues of the park from West Linn's perspective. West Linn went to their Parks and Recreation Advisory Board and their Parks Director, and their volunteer organization came up with a list of needs in the park. West Linn tentatively adopted the list and forwarded it on to the State Parks Director with reasons and costs. Mr. Komarek had a meeting with the Natural Resources Manager and the West Linn Parks director in April to review the list and agreed which items would meet with OPRD's standards. There were two projects that West Linn had identified that the State did not agree to. One was to make drainage improvements in the ball fields and the other was zip lines in the tree canopy. Staff agreed to the remainder of the items and this is how the cost was determined.

Mr. Komarek stated he and legal counsel are meeting with the Parks Director and Department of Justice this upcoming Wednesday.

- Easement Acquisition

Mr. Komarek stated along with the OPRD, staff has about ten easements needed from private property owners across Oswego Lake. Seven files have been closed and settled. One of them has been unresponsive which staff believes is due to \$20,000 owed in back taxes by the owner. Another is the Cabana Corporation which is a domestic nonprofit and it is a common ownership of garages and a piece of property. Legal counsel advises it will be likely staff will have to go to condemnation to clear the title. The property has passed from person to person and they have not

kept the title current. The Lake Corporation easement has not been completed. Their appraisal and offer was sent last week and they will have 40 days to consider to accept or reject.

There is an easement to acquire from the State Department of Lands for the Willamette River crossing and that is on their agenda for late October. There is only an administrative fee of \$750 for the easement application. In Gladstone, two temporary construction easements and one permanent easement for pipelines at the River Intake Pump Station (RIPS) are in process.

Mr. Koellermeier stated the owner of the Bonita Pump Station (BPS) site let the final best offer date lapse last week so staff will be filing in court this week.

- Next Joint Council Meeting date

Mr. Komarek mentioned the next Joint Council meeting may happen in late November/ early December. Both city recorders will work to set a date and the meeting will be held in Lake Oswego.

5. LAND USE STATUS UPDATE

Mayor Hoffman asked who would be attending the October 17 West Linn Public Hearing as he is not available. **Councilor Buehner** mentioned she would attend. **Mr. Komarek** stated Mr. Koellermeier would be presenting. West Linn Planning staff is going to try to get this in front of their Council by the end of the calendar year.

Mr. Komarek mentioned the Department of State Lands issued a fill removal permit for the entire project which is a milestone. Staff anticipates getting a joint permit from the Corps of Engineers by the end of the calendar year which would include the biological opinion issued by the National Marine Fisheries Service.

Councilor Tierney asked if there was extension granted to allow Water Watch to reply regarding the State permit to draw water from the Clackamas River. **Mr. Komarek** answered they requested a six week extension and it was approved. **Councilor Buehner** mentioned based off the original briefing schedule, this portion of the project is now seven months behind due to the extensions. **Councilor Tierney** mentioned this schedule now overlaps construction. The Oversight Committee (OVC) said there would not be any construction without permits. This will require further conversations. **Mr. Komarek** agreed the OVC would need to meet together with their respective Councils. **Councilor Buehner** asked Mr. Koellermeier as to whether staff has begun negotiations with Portland to discuss providing emergency water for Tigard. **Mr. Koellermeier** answered there have been conversations and a meeting will be held in the near future. He asked Mr. Komarek if the award of the River Intake Pump Station (RIPS) will be affected by the permit to draw water from the Clackamas. **Mr. Komarek** answered there are three contracts for which staff hopes to issue a notice prior to June. They are RIPS, Raw Water Pipeline (RWP) and the Water Treatment Plant (WTP).

6. PROGRAM UPDATE BY MAJOR TASK

Water Treatment Plant

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- Competitive proposal solicitation documents for pre-selection of Ozone system issued 8-13-2012; proposals due 9-19-2012. Competitive proposal procurement solicitation documents for screw press anticipated to be issued 9-13-2012; proposals due 10-11-2012. Preparation of sole-source procurement documents for ballasted flocculation anticipated to be completed in September 2012.
 - Plan to use competitive qualifications-based process to select contractor pool from which price-based bids would be solicited for plant construction.

Mr. Komarek stated a source section committee comprised of technical staff and the program management team will review the proposals against the evaluation criteria. Once recommendations are made, they will be brought to the OVC then to Council. This may be brought to the OVC during the November meeting.

RWP/ FWP

- HDD - plan to use RFQ/RFP process for contractor procurement to address site constraints, schedule, and constructability risks.
- Land-Based Pipes - plan to use competitive qualifications-based process to select contractor pool from which price-based bids would be solicited for construction.
- 60% design in progress; scheduled submittal dates for review:
 - Schedule 1: 10-02-2012 (River Intake to Meldrum Bar)
 - Schedule 2: 12-27-2012 (Willamette River HDD)
 - Schedule 3: 11-15-2012 (MSY Park to WTP/WTP to Oswego Lake)
 - Schedule 4: 12-27-2012 (Oswego Lake HDD)
 - Schedule 5: 9-18-2012 (Oswego Lake to Waluga Reservoir #2)

Mayor Hoffman asked if changing the pipeline to go around Lake Grove Elementary will increase costs. **Mr. Komarek** replied costs are anticipated to be around \$120,000 extra to go around. **Mr. Koellermeier** stated he has not briefed Tigard on this yet. **Mr. Komarek** stated staff had a route alignment selected which went through property owned by the Lake Grove School District. Staff conducted an appraisal and presented an offer. The offer went to their Board a week ago and it created controversy. The Board asked why the pipeline was planned to go through the school property and not around when there is another route available. A board member expressed concern regarding the evaluation and the appraisal approach taken. Staff asked the design team if another route was feasible and it was determined with a longer route and more cost, it is possible. After a second meeting of the School District Board, Mr. Komarek was told it was unlikely staff would be able to acquire an easement for the appraisal price and it would likely be around \$120,000. **Councilor Tierney** stated he and Mayor Hoffman should have been notified. Lake Oswego School District received \$2,000,000 from the City and if it going to cost our citizens \$120,000, the City did not give the District \$2,120,000. He would like staff to allow time for the Council to voice displeasure to members of the Board. **Mr. Komarek** stated the doors are still open for conversation. **Mr. Donaldson** asked if the rationale was because the board thought the property might be worth more someday. **Mr. Komarek** replied it was pure speculation. **Councilor Tierney** asked for a couple of days to speak with the Board members before any decisions were made.

RIPS

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- Plan to use competitive qualifications-based process to select contractor pool from which price-based bids would be solicited for construction.
 - Pre-qualification documents for general contractors advertised 8-23-2012; pre-qualification applications due 9-27-2012.
 - 90% design review meeting scheduled for 9-11-2012.

WR2

- Plan to use competitive qualifications-based process to select contractor pool from which price-based bids would be solicited for construction.
- 60% design in progress; due for PMT and Sponsor review end of October 2012.

BPS

- Plan to use competitive qualifications-based process to select contractor pool from which price-based bids would be solicited for construction.
- 30% design in progress; due mid-September 2012 for PMT and Sponsor review.
- Site acquisition – Tigard Council authorized acquisition 8-24-2012.
- Considering designing second 24” diameter I-5 crossing now as an alternate/optional bid item given favorable bidding/construction climate and economies of scale with proposed railroad pipe crossing.

Mr. Koellermeier spoke regarding a possible second pipeline. Somewhere in the future at the time when staff would want to go to move the full 20mgd across I-5, a second pipeline crossing will be necessary. This should be designed now and be set up as an alternative bid item. There will already be similar jack and bore operations in Tigard as they go underneath 72nd so it might be a competitive environment where a contractor can finish his job and then go underneath I-5 for this job. This should save money down the road.

7. COMMUNICATION UPDATES

Mr. Komarek referenced the Google calendars of outreach. Staff primarily is focused on the upcoming West Linn Planning Commission hearing but still continues other outreach events. This past Sunday staff attended the Clackamas River Clean Up event and staff will be participating in the West Linn Neighbors Helping Neighbors event soon. Tomorrow evening will be the last meeting of the facilitated meetings with the Robinwood neighborhood. **Mr. Koellermeier** mentioned there may be ongoing working sessions with the Robinwood neighborhood to continue through construction so there is a sounding board to work through issues.

Ms. Euler spoke on recent finance updates. The Partnership has interim financing up to \$30,000,000 in place as of tomorrow at 9am. It is a line of credit and is non-revolving. The firm end date is June 30th 2013. In February at the latest, the permanent bond financing needs to be in place. The interest rate is variable and is based on LIBOR. It will be around 1% because it is a short term loan.

8. FUTURE AGENDA ITEMS

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- Councilor Buehner would like a report on the outcome of the last Robinwood Neighborhood facilitated meeting.
 - November OVC meeting date due to Veteran's Day Holiday 11/12

9. NEXT MEETING DATE

The next Oversight Committee meeting will be Monday, October 8, 2012, from 5:30 p.m. to 6:30 p.m. in the Oswego Conference Room at the West End Building in Lake Oswego.

10. ADJOURN

Mr. Komarek adjourned the meeting at 6:16 p.m.

Attachments: None

Approved: October 8, 2012