



**City of Lake Oswego/City of Tigard Water Supply Partnership
Summary of Oversight Committee Meeting #35
Meeting held
July 8, 2013**

Lake Oswego Technical Committee Member Kari Duncan called the meeting of the Lake Oswego/Tigard Water Partnership Oversight Committee to order at 5:33 p.m. on July 8, 2013, at the West End Building, BC Window Area, 4101 Kruse Way, Lake Oswego Oregon 97035.

Present:

City of Lake Oswego Oversight Committee: Mayor Kent Studebaker, Councilor Karen Bowerman

LOTWP Staff: Dave Prock, Vanessa Deets

Other: Councilor Jeff Gudman, Tom Coffee, David Donaldson, Kari Duncan, Guy Graham, Ursula Euler

City of Tigard Oversight Committee: Councilor Gretchen Buehner, Councilor Jason Snider

Other: Mayor Cook, Marty Wine

Brown and Caldwell Jon Holland, Mike Prett, Corianne Hart

Kennedy/Jenks Brad Moore

Guests Gwen Sieben

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1. CALL TO ORDER/ROLL CALL
 2. APPROVAL OF MINUTES FROM MEETING #34

Councilor Bowerman stated she requested the Program Metrics Report be emailed to her in a format other than PDF at the last meeting and she did not receive it. She made the request again for future reports.

Ms. Duncan asked for approval of minutes from the last meeting held on June 10, 2013. **Councilor Snider** motioned to approve, **Mayor Studebaker** seconded the motion. A voice vote was taken, and the motion passed with Lake Oswego **Mayor Studebaker**, Lake Oswego **Councilor Bowerman**, and Tigard **Councilor Snider** and Tigard **Councilor Buehner** voting 'aye' (4-0).

3. PUBLIC COMMENT

There was no public comment.

4. PROGRAM METRICS REPORT

Mr. Prett reminded the Oversight Committee (OVC) this report is for informational purposes. He stated the contingencies are dropping as planned and more insight will be given after tomorrow's council meeting. If things go forward with the Slayden bid, costs would come down by \$2.6M. This

is inclusive of an increase in designer costs to get the water treatment bid out in timely manner. \$40M has been spent from the project budget so far which is about 16% of the \$252M budget.

Staff received an extension on the back end for the in-water work window from the Department of State Lands (DSL). **Mr. Holland** added it is a 30 day extension that has been granted for a permit staff does not yet have. **Mayor Studebaker** stated when Mr. Komarek is back in town; they plan to call to director of National Marine Fisheries Services (NMFS), William Stelle, to urge him to expedite the approval process.

Mr. Prett stated for the monthly revenue he took the Lake Oswego (LO) finance report to be able to expand with Tigard finance information in the future. The report shows subtotals and is easier read. The report will evolve over time.

The change list has been updated with new and improved changes from this period. A net increase from last month is due to additional addenda from MWH to maintain the water treatment plant (WTP) schedule on track.

Councilor Snider mentioned a follow up regarding NMFS. His understanding is that both cities in the Partnership are applying pressure with federal representations and department heads. If the Oversight Committee (OVC) needs to be more involved as joint committee he would be willing to step up and it may be helpful. **Councilor Buehner** asked if staff had any information where the report is as she heard it was last with the legal department. **Mr. Holland** stated legal completed their review and it was sent back to the administrators. **Mayor Studebaker** stated he talked with Senator Berkeley and Representative Schrader regarding movement on the permit. **Councilor Bowerman** stated a follow up may be needed. **Councilor Buehner** mentioned Tigard staff has spoken with Representative Bonamici and she was not able to provide further insight. **Mayor Cook** stated he spoke with Senator Merkley's office today and the report is out of NMFS office and is back to the legal department. They are still planning have the permit issued by the July 12 with terms and conditions. Once legal signs off on it, it will go to the Corps of Engineers and then the permit will be issued.

5. PROGRAM LAND USE UPDATE

Mr. Prock presented the monthly update of program permitting status. **Mr. Murchison** stated the Bonita Pump Station (BPS) application will be submitted July 10. LO staff is expecting to hear back by July 12 from planning soon as so whether the Waluga Reservoir 2 (WRS) application is deemed technically complete. Once declared technically complete, staff will move forward with public hearings.

6. PREQUALIFICATION/ BIDDING SCHEDULE

Mr. Prock referenced the prequalification/ bidding schedule update. Bidding was just completed for the WTP. Staff is recommending the third low bidder, Slayden Construction Contract be awarded the contract as the first two low bids were either unresponsive or their bid proposal was incomplete. Staff will be attending the LO council meeting tomorrow night for a discussion of possible rebidding. **Council Snider** asked for the rational of the possible rebid. **Mr. Prock** stated his understand is the project may receive a lower bid by rebidding. If the council finds that there is a justification in the conditions of the state ordinances, it could be in the public's interest for a

rebid. This could cause a 4-6 week delay with a potential cost of \$500K. **Councilor Snider** stated he is concerned about the bidders and their potential recourse if a rebid should occur.

Mr. Holland passed out a bid tabulations spreadsheet which listed all information received during the bidding process. The spreadsheet allows for an analysis of the bids and provides an understanding of the level of effort that goes into the bids. Seven bids were submitted; each offered a lump sum prices for the treatment plant, and listed detailed itemized bids for supplier's costs, categories of major equipment costs and first tiers subcontractors. A rebid process would publically share everyone's costs, possibly create bid shopping, and lesson the integrity of the competitive bid process.

Councilor Buehner asked for more detail about the companies. **Mr. Holland** stated they are northwest firms and each firm passed the prequalification process.

Councilor Snider asked what level the discussion is at. **Mayor Studebaker** replied LO council is meeting tomorrow to discuss and make a decision. **Councilor Snider** would like for Tigard to also have a discussion so they may provide input. He is concerned about the integrity of the process and what legal risks are involved. Staff had a process and had more than one responsive bidder. Liability and delay of the project could add potential costs. **Councilor Bowerman** added council has reached out to the LO city attorney for consultation.

Mayor Studebaker assured the OVC; LO council is doing its best for both cities move the project along as inexpensively and reasonably as possibly.

Councilor Bowerman asked why a rebid could possibly cost \$500k. **Mr. Prock** stated this cost does not include the contractors and all sub's prices have to be re-negotiated. The Partnership's cost is in the delay factor for staffing and loss of good weather construction time. **Mr. Holland** stated the bidders need a minimum of a couple of weeks to rearrange their bonding and to contact all their suppliers and subcontractors, etc to figure out a new bid.

7. COMMUNICATIONS UPDATE

Ms. Duncan referenced the outreach calendars in the back of packets.

Councilor Buehner asked for the weekly water digest to include the website addresses for the articles listed.

8. FUTURE AGENDA ITEMS

Councilor Buehner would like an update on the Land Use Board of Appeals (LUBA) oral argument. **Mayor Studebaker** would to discuss the bond schedule and an update on Tigard's capacity issue.

9. NEXT MEETING DATE

August 12, 2013 5:30 p.m. at the Tigard Public Works Auditorium.

10. ADJOURN

Ms. Duncan adjourned the meeting at 6:18 p.m.

Respectfully Submitted,
Vanessa Deets /s/
Vanessa Deets, Administrative Support

Attachments:
Approved by the Oversight Committee:
On August 12, 2012