



**City of Lake Oswego/City of Tigard Water Supply Partnership
Summary of Oversight Committee Meeting #36
Meeting held
August 12, 2013**

Lake Oswego Technical Committee Member Joel Komarek called the meeting of the Lake Oswego/Tigard Water Partnership Oversight Committee to order at 5:30 p.m. on August 12, 2013, at the Tigard Public Works Auditorium, 8777 SW Burnham St. Tigard, OR 97223.

Present:

City of Lake Oswego	Oversight Committee: Mayor Kent Studebaker, LOTWP Staff: Joel Komarek, Dave Prock, Vanessa Deets Other: David Donaldson, Kari Duncan, Guy Graham, Jennifer Waverly
City of Tigard	Oversight Committee: Councilor Gretchen Buehner, Councilor Jason Snider Other: Dennis Koellermeier, Rob Murchison, Marty Wine
Brown and Caldwell	Jon Holland, Mike Prett
Guests	Gwen Sieben

1. CALL TO ORDER/ROLL CALL

Councilor Bowerman has been excused for this meeting.

2. APPROVAL OF MINUTES FROM MEETING #35

Mr. Komarek asked for approval of minutes from the last meeting held on July 8, 2013. **Councilor Buehner** motioned to approve, **Mayor Studebaker** seconded the motion. A voice vote was taken, and the motion passed with Lake Oswego **Mayor Studebaker** and Tigard **Councilor Snider** and Tigard **Councilor Buehner** voting 'aye' (3-0).

3. PUBLIC COMMENT

There was no public comment.

4. PROGRAM METRICS REPORT

Mr. Prett made note of the highlights of the report. He stated section 1.1 Current cost estimate shows Tyler at \$4.5M and PMWeb at \$2.5M, this is expected as each program processes invoices at different times. At the end of the fiscal year PMWeb will have caught up to Tyler. Both systems are now synchronized together with showing the \$42M expenditures for the fiscal year. Section 1.2 Construction Cost Estimate Contingency has no changes. The next milestone is Pipeline Schedule 5 which will be bid on August 22. As for permits, the joint permit was received with an extension to the backend of the in-water work window to October 15. Section 1.4 Capitol Contributions shows Lake Oswego (LO) finance has provided an update on LO debt which is a

summary of bond resolution from mid-July. There have been a few minor designer changes in the change list in response to traffic control drawings. Fewer design changes are expected with design completion. Construction changes will be next to come. The risk register now includes a closed risk regarding US Army Corp of Engineers as the permit has been received. Pile driving at the RIPS has been going well and the risk register will reflect this. Minor risk updated on Bonita Pump Station (BPS) pipeline. Staff is planning to bid Schedules 1 and 3 pipelines as one package in an effort to secure additional project savings through bidding competition and perhaps reduced contract management expense if one contractor submits the lowest combined bid for both schedules.

Mayor Studebaker asked about when the top 3.0 risks of public opposition with the Water Treatment Plant (WTP) would be resolving. **Mr. Prett** replied that opposition is not likely to resolve until construction is well underway and/or from outreach perspective the public feels the job is going to their satisfaction. The risk level started at the 3.0 and has maintained to date. In theory, the risk level should decline with time.

Mr. Komarek noted in section 1.2 Construction Cost Contingency the bids are due on August 22nd not in September.

Councilor Snider asked about the pile driving clarification. **Mr. Komarek** stated that conditions were favorable for driving the spud piles that form the framework for sheet piles starting this week. Two piles are in at the lower ring. Project is on schedule and there have been few mishaps to the piles lending fewer traumas for neighborhood. Conditions require monitoring the number of drives.

Councilor Buehner followed up on the Land Use Right of Way (ROW) risk and asked if the risk was still as high as it was initially (1.5 risk). Will a future report tell us how many more ROW will need to be acquired in LO? **Mr. Prett** stated the risk level looks favorable with only a few of the more difficult risks keeping it at 1.5. **Mr. Komarek** stated there are two more files to close in Lake Oswego, one in Gladstone and one with the Oregon Parks Department. Last month the Park's Commission authorized the director to execute documents so it is progressing forward. This risk should be moving down or off the list soon.

Mr. Prett described a new two page summary document of the River Intake Pump Station (RIPS). The plan is to issue this summary with the roll-out of each project as to its scope of work, schedule and budget. The Status of Contract/Contractor will show what they have been paid to date, their progress to date, and balance to be paid. Graphs will show efficiency and progression. The document also shows work summary, milestone progress, QA steps, look ahead, risks and issue identification, and potential change order requests. **Councilor Snider** asked if there is a time when change requests are no longer made if issue is not continuing. **Mr. Prett** answered that this is in anticipation from the stop and start beginning of the project. **Mr. Komarek** stated staff is meeting with the RIPS contractor this week to discuss the delay impacts and costs.

5. PROGRAM LAND USE UPDATE

Mr. Prock stated the Waluga Reservoir 2 (WR2) application was not technically complete according to the LO planning department. It has been returned for resubmittal and is anticipated for resubmittal on August 16. The Bonita Pump Station (BPS) application has been submitted to the City of Tigard and it is not technically complete due to a missing permit. Tigard staff now has the needed permit in hand and will be resubmitting.

6. PREQUALIFICATION/ BIDDING SCHEDULE

Mr. Prock noted there will be minor edits of Schedule 1 dates from RIPS to Meldrum Bar Park. **Councilor Buehner** asked how far the RIPS is from the park. **Mr. Prock** stated about 5000 feet down a few streets coming in at upstream/south end of park.

The horizontal directional drilling (HDD) prequalification process resulted in three applications two of which were incorrectly filled out. Staff has notified interested contractors that it is terminating that process and will seek to procure HDD contractor services through a competitive proposal process. That process will seek proposals from interested contractors containing information about their firm, project experience, project approach to our project, and proposed pricing.

Councilor Snider asked what about the process has appeal or creates less risk for the contractor.

Mr. Prock noted the more successful contractor will have the ability to negotiate on this project.

They are not building risk into a lump sum bid price. **Mayor Studebaker** asked for further clarification and details on new process. **Mr. Prock** clarified that an application packet is requested as a prequalification process. As an example, the last qualification process only left one contractor qualified for the project. **Councilor Snider** asked how many contractors should be in the process.

Mr. Komarek replied that six potential firms have been identified. Those firms were contacted to ask why they didn't submit prequalification applications. From those contacts Staff learned that the prequalification process didn't allow firms to communicate their approach to our project, identify inherent risks, and negotiate a price for the work that reflects their approach, allocation of risk, and other factors. **Mr. Komarek** stated proposals are due September 26. The proposal process time frame is the same and the selection process will take a more thoughtful review.

7. COMMUNICATIONS UPDATE

Mr. Komarek reviewed the public outreach calendar. Staff hired Katy Fulton as citizen information, ombudsmen for the WTP project. Katy is from Sydney, Australia with experience in large public works projects and neighborhood involvement while employed at Sydney Water. She will start on August 26. **Councilor Snider** asked about her work location and level of her resident involvement. **Mr. Komarek** stated she will be at the project site and West End building. Her level of resident involvement isn't known yet.

Mayor Studebaker spoke of his recent trip along with Mr. Komarek and other LO staff to San Francisco to visit Standards & Poors (S&P) and Moody's and submitted a package for Lake Oswego's credit rating. S&P had minimal questions whereas Moody's asked many questions and seemed favorable to the continuing the AAA status. Lake Oswego's finance director provided in-depth details about the city. This was the mayor's first experience with these interviews and felt that they were well received. **Mr. Komarek** stated both agencies indicated that a rating would likely to be delivered this week.

Mayor Studebaker noted the Mapleton settlement discussion is happening on August 13 not August 20. **Mr. Komarek** stated the Gladstone City council meeting regarding the easement is to be rescheduled and he will be meeting with Gladstone Business Managers this week. The August 22, 2013 date for Land Use Board of Appeals (LUBA) for oral arguments has been cancelled on an evidentiary motion filed by LUBA. **Councilor Buehner** asked the basis for this unusual administrative request. **Mr. Komarek** stated it relates to petitioners alleging violation of public

meeting laws and ex-parte contact. **Councilor Snider** would like to know prior to the date when the LUBA hearing in Salem will take place.

8. FUTURE AGENDA ITEMS

Councilor Buehner stated she would like a status update of LUBA and would like to see the project schedule.

Mayor Studebaker stated an update on negotiations and an update on contractor interest for HDD project RFP.

Mr. Komarek stated staff went back out for the prequalification process for schedules 1 and 3. Three prequal applications were submitted and 2 of the 3 met qualifications. The pipeline pool of contractors is now at six.

9. NEXT MEETING DATE

September 9, 2013 5:30 p.m. at the West End Building.

10. ADJOURN

M. Komarek adjourned the meeting at 6:12 p.m.

Respectfully Submitted,

Vanessa Deets /s/
Vanessa Deets, Administrative Support

Attachments:

Approved by the Oversight Committee:

On 9/9/13