



**City of Lake Oswego/City of Tigard Water Supply Partnership
Summary of Oversight Committee Meeting #37
Meeting held
September 9, 2013**

Lake Oswego Technical Committee Member Kari Duncan called the meeting of the Lake Oswego/Tigard Water Partnership Oversight Committee to order at 5:34 p.m. on September 9, 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: Jane Heisler, Katy Fulton, Vanessa Deets, Laurel McAfee
Other: Scott Lazenby, City Manager; Kari Duncan, Water Treatment Plant Manager and Ursula Euler, Finance Director.

City of Tigard Oversight Committee: Councilor Gretchen Buehner, Councilor Jason Snider
Other: Dennis Koellermeier, Public Works Director; Rob Murchison, Senior Project Engineer

Brown and Caldwell Jon Holland, Mike Prett

Kennedy Jenks Brad Moore

Guests Gwen Sieben, Mapleton Drive, West Linn

1. CALL TO ORDER/ROLL CALL

2. APPROVAL OF MINUTES FROM MEETING #36

Ms. Duncan asked for approval of minutes from the last meeting held on August 8, 2013.

Councilor Buehner motioned to approve, **Councilor Bowerman** seconded the motion. A voice vote was taken, and the motion passed with Lake Oswego **Mayor Studebaker**, Lake Oswego **Councilor Bowerman**, 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 presented the program metrics report now in a new size. Section 4.1 – Program Cumulative Expenditures vs. Baseline (plan) shows the overall plan at \$249.8 million. The graph shows cumulative cashflow projection along with cumulative program costs to date. It gives a visual picture of where the project is and what future costs will look like.

Section 4.2 – Summary Schedule vs. Baseline shows the schedule timeline past and future. **Mr. Prett** noted the allotted time for the construction of the water treatment plant (WTP) is scheduled to be complete in 2016 but the WTP will be producing water in August of 2015. The remainder of construction includes start-up, testing and fine-tuning. The WTP will be capable of producing at full capacity by August 2015, although demands are expected to be well below full capacity at this time. **Mr. Holland** added while the WTP will be at full capacity at that time, the next longest duration project is Schedule 4, the horizontal directional drilling (HDD) crossing which extends to October 2015. **Mr. Koellermeier** added that while all the water facilities will be in operation by October 2015, Tigard will not be taking full capacity until the following summer because Tigard is under contract to purchase water from Portland until 2016 and they will not be able to take much water from the LOTWP plant until July 2016. **Councilor Buehner** asked whether the river intake pump station (RIPS) would be in operation right away upon completion and dismantling the old RIPS could begin. **Ms. Duncan** stated that the new RIPS would not be used at its full capacity right away, but it would be tested and placed into service before decommissioning the old RIPS.

Mr. Prett stated Section 4.3 – Current Total Project Cost Estimate has a few changes this month. Some misallocated costs from line item 2, Design/Planning/ Consultant Costs, were moved to line item 1, Sponsor/Staff Costs. These costs include transfers, materials and services, and materials testing. Accruals to date line item 1, Sponsor/Staff Costs, are approximately \$0.9 million to \$1 million higher than staff has been carrying in the previous \$252 million budget. The project had savings on the Schedule 5 bid in the amount of approximately \$3 million. Staff added line item 5, Owner Contingency, to show the net difference between the lower Schedule 5 bid and the higher Sponsor/Staff Costs, currently \$1,905,000. With 5 pipeline schedules, the Waluga Reservoir, and the Bonita Pump Station left to bid, and with construction on other projects just getting started, it is premature to recognize this amount as “savings.” **Councilor Buehner** requested that a memo be prepared describing this information so that she may present to the Tigard City Council.

Mr. Prett presented Section 4.6 – Permit Status. **Councilor Bowerman** asked for an update regarding Water Rights and the anticipated decision date of May 2014. **Mr. Koellermeier** stated he spoke with the Partnership’s attorney Jeff Ring today and Mr. Ring is still hopeful that the Court of Appeals will docket this issue and will get it on the calendar for this fall.

Councilor Bowerman asked for an update on any ongoing Partnership costs related to the US Army Corps of Engineers/ NMFS Biological Opinion. **Mr. Holland** stated staff will present more information at next month’s Oversight Committee (OVC) meeting.

Mr. Prett noted one item on the Change List was a contract amendment to Kennedy/Jenks to look at the Bonita/ I-5/Fanno Creek pipeline bottle neck. The financial impact of this change is a Tigard expense.

The Risk Register is an ongoing process of updating risks to be more relevant as the program proceeds. Currently, the Risk Register shows a high risk of ‘public opposition that delays the program’ has been closed out. Other risks, such as LUBA, are still open and some have been lessened. The West Linn project of relocating a waterline on Mapleton Drive is being watched for potential complication for the horizontal directional drilling (HDD) contractor.

RIPS construction status report shows \$1.1 million which is consistent with Slayden’s projected schedule. Project schedule and expenditures are on track. The expected Change Order request from Slayden for a delayed start by three weeks while waiting for permits but mobilizing for the

project, has been reviewed and negotiated with a further report next month. The approximately \$60,000 cost change was reviewed by experienced project and construction managers and deemed reasonable.

Mr. Prett confirmed that the Committee will receive similar updates on each individual project as construction begins.

5. PROGRAM LAND USE UPDATE

Ms. Duncan reviewed submittal dates for land use applications: Waluga Reservoir 2 and associated Finished Water Pipeline were August 16 and Bonita Pump Station was August 23. Both are within their 30 day review period. The Bonita application is technically complete. There will be a land use public hearings on October 7, 2013 for the Waluga Reservoir 2 and October 14, 2013 for the Bonita Pump Station.

6. PREQUALIFICATION/ BIDDING SCHEDULE

Mr. Holland reported that Schedule 5 Pipeline is being awarded to Emery & Sons. The potential bidders for Schedules 1, 3, & 6 now have six pre-qualified contractors. The Schedule 1 bid timetable was revised to combine with Schedule 3 to garner more efficiency and savings potential. Responses to the RFP for HDD water crossing proposals are due in mid-October.

Mr. Holland noted there are few remaining easement issues.

7. COMMUNICATIONS UPDATE

Ms. Heisler introduced Laurel McAfee who will be sitting in for Vanessa Deets while she is out on upcoming maternity leave. Also, new to the program is Katy Fulton, Citizen Information Specialist. Katy's position will focus on construction outreach with the neighbors near all the facilities.

Reporters at OPB have received our corrections regarding their story about the Clackamas River. We received good local coverage of the pipeline bids in Lake Oswego and the Bonita Pump Station in Tigard. Ms. Heisler is currently working on a story of the use of many local subcontractors and vendors involved in our projects. **Councilor Bowerman** requested addressing the topic in the upcoming news article about the public's perception about a contractor not being local. **Ms. Heisler** noted that Slayden Construction is a Stayton, Oregon company within 50 miles which may also be hiring closer local subcontractors.

Another story in the works is that two Oregon communities have expressed interest in borrowing Lake Oswego's portable water treatment plant.

Other items noted include:

- The WTP project began twice monthly community meetings at the local Burgerville.
- The communications team has met with businesses and civic organizations potentially impacted by the Schedule 5 pipeline construction to better understand their needs
- A "meet the contractor" meeting for the second week of October is in the works for residents along the Schedule 5 pipeline alignment in Lake Oswego.
- The communications team staffed a booth at the annual Down the River Clean Up on September 8.

-
- Next Sunday there will be a Partnership booth at the Tigard Farmers Market

8. FUTURE AGENDA ITEMS

- Army Corp of Engineers ongoing permit requirements and cost implications related to the intake
- Memo on Sponsor Contingency

9. NEXT MEETING DATE

October 14, 2013 5:30 p.m. at the Tigard Public Library.

10. ADJOURN

Ms. Duncan adjourned the meeting at 6:35 p.m.

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

Attachments:

Approved by the Oversight Committee:

On _____