



**City of Lake Oswego/City of Tigard Water Supply Partnership  
Summary of Oversight Committee Meeting #44  
Meeting held  
November 17, 2014**

Oversight Committee Chair Snider called the meeting of the Lake Oswego/Tigard Water Partnership Oversight Committee to order at 5:30 p.m. on November 17, 2014, at the Tigard Public Library, 13500 SW Hall Blvd, Tigard, OR 97223.

**Present:**

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

**City of Tigard Oversight Committee:** Councilor Snider and Councilor Buehner

**Technical Committee Staff:** Joel Komarek, Dennis Koellermeier, Kari Duncan.

**LOTWP Staff:** Dave Prock, Katy Fulton, Jordan Imlah, Susie Shinn

**Other:** Councilor Gudman; Scott Lazenby, City Manager, Marty Wine, City Manager, Tigard

**Brown and Caldwell** Jon Holland, Program Manager; Mike Prett

**Kennedy Jenks** Brad Moore

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**1. CALL TO ORDER/ROLL CALL**

**2. APPROVAL OF MINUTES FROM MEETING #43**

**Councilor Snider** asked for a vote to approve the minutes from the last meeting held on September 8, 2014. **Councilor Buehner** motioned to approve, **Mayor Studebaker** seconded the motion. **Joel Komarek** noted a correction recognizing Kari Duncan was in attendance at the September 8 meeting. The motion passed unanimously.

**3. PUBLIC COMMENT**

**Councilor Snider** invited guests to address the Committee. There were none.

**4. OLD BUSINESS**

There was none.

**5. NEW BUSINESS**

5.1 – Construction updates

Section 5.1.1 – River Intake Pump Station (RIPS): **Mr. Komarek** reported that work on the River Intake Pump Station is on schedule and the quality of work is very good. Approved change orders to date total \$205,000 with \$30,000 pending. There have been a two damage claims filed with the City of Lake Oswego, City of Tigard, and City of Gladstone by the same attorney representing two

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property owners adjacent to the construction site. **Councilor Snider** questioned if the contractor had been named. **Mr. Komarek** affirmed that both the RIPS contractor and the pipeline contractor were named in the claim, as well as Brown and Caldwell. **Mayor Studebaker** clarified that the claims in West Linn were the result of WTP construction. **Mr. Komarek** agreed and noted that a new claim from a Mapleton Drive resident had been received for damage alleged to be caused by vibration from compaction of backfill in the clearwell. **Mr. Komarek** continued that Initial startup of the RIPS pumps is anticipated for January 2015 and to date there have been no violations of environmental or regulatory permits.

Section 5.1.2 – Water Treatment Plant (WTP): **Mr. Komarek** reported the Contractor submitted a revised schedule indicating they could miss final completion by nearly a year. As a result, the company president is now engaged and working with the program management team to develop a recovery plan which is due the first week of December. A number of pieces of equipment have been delivered and continue to be delivered daily. Approved change orders to date total \$342,000 with \$200,000 pending, primarily related to construction issues.

Regarding schedule, **Mr. Komarek** noted that in September it was reported that schedule delay was 60 days. The October update received from the contractor showed a substantial increase in delay. **Mayor Studebaker** asked why there was an increase in delay of the schedule. **Mr. Komarek** suggested that amongst the reasons were that the contractor used a “place holder” for certain task durations for work performed by its sub-contractors and suppliers. However, it failed to test those assumed durations with those sub-contractors and suppliers. **Mayor Studebaker** asked about the possibility of pursuing damages. **Mr. Komarek** replied there are contractual provisions for the recovery of costs through liquidated damages. He noted that Phase B must be complete to supply water to Tigard per the terms of the Partnership agreement and that this phase is currently scheduled to be complete June or July 2016. **Councilor Buehner** noted that Tigard is scheduled to turn off Portland water June 30, 2016. **Mr. Komarek** stated Slayden has replaced their project manager and brought more senior project managers on. **Mr. Koellermeier** noted that the year delay is a raw projection and will be further evaluated and tuned and could decrease. **Councilor Snider** summarized that there has been poor senior management oversight from Slayden, the program management team expressed concern early on, Slayden didn’t respond for a period of time and then realized the situation was worse than thought. **Mayor Studebaker** and **Councilor Snider** encouraged the program management team to closely monitor Slayden. **Councilor Snider** asked that the committee’s disappointment be conveyed to Slayden.

#### Section 5.1.3 – Pipelines

Schedule 1, 2, 3A (Gladstone, River Crossing, Mapleton Drive) – **Mr. Komarek** reported HDD pullback was completed successfully and in a far less time than anticipated. Approved change orders to date total a negative \$139,000, with \$80,000 pending. The Contractor anticipates starting work on Mapleton Drive in West Linn in March or April 2015. Schedule 1 construction in Gladstone continues.

Schedule 3B and 5 (Lake Oswego) – **Mr. Komarek** reported that both schedule 3B and 5 are on schedule and the quality of work is meeting specifications. Night work on Highway 43 is underway near Laurel Street. Night work in West Linn will begin early December. Schedule 5 segment from Chandler and 10<sup>th</sup> down A to 9<sup>th</sup> to B then east to State Street is anticipated to start in January. Approved change orders to date total \$128,000 with \$150,000 pending. **Mayor Studebaker** inquired as to the progress of the design of the pipeline through Old Town. **Mr. Komarek** replied schedule 4 design is complete and the request for bids was issued the previous week with a due

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date in mid-December and anticipated notice to proceed in January. All appraisals for easements for schedule 4 and 6 are complete and offers to property owners have been sent out. The land use application has been deemed technically complete and the hearing for Oswego Creek crossing is scheduled for December 15 before the Lake Oswego Development Review Commission. Any construction on Highway 43 and through the Oswego Village will be conducted at night to minimize impacts to businesses. The cultural resources mitigation plan has been submitted and the committee has started meeting to develop an interpretive display to be erected in the old town area.

Schedule 6 Pipeline (Tigard) – **Mr. Komarek** reported design is complete and the project is out to bid. Construction will be a combination of day and night work with pipe ramming under railroad at night.

#### Section 5.1.4 – Waluga Reservoir / Bonita Pump Station

**Mr. Komarek** reported Waluga Reservoir 2 work is on schedule and of good quality. He noted that 300 yards of concrete was placed for the domed roof the previous day. Yard piping and valve vault construction continues. Approved change orders to date total \$50,000 with \$10,000 pending. Bonita Pump Station is on schedule and the quality of work is good. The Contractor is currently working on rough plumbing, electrical, and mechanical components of the project. Approved change orders to date total \$10,500 with \$25,000 pending.

#### Section 5.2- PGE Alternative Service Agreements

**Mr. Komarek** noted that the RIPS and WTP will be served by a redundant electrical supply. Several months ago both Councils approved a resolution to enter into an agreement with PGE for the RIPS supply, which is under construction. Construction of the alternate electrical supply to the WTP is scheduled to start within the week. The Lake Oswego City Manager has signed a line extension agreement with PGE for the cost of construction which came in \$140K less than earlier estimated. The second part of the agreement with PGE will be for the lump sum payment that represents the cost to PGE to provide 4 megawatts of power on standby in perpetuity. The agreement is scheduled to go before the Lake Oswego Council early January then it will go before the Tigard Council.

#### Section 5.4 – Metrics Report

**Mr. Prett** reviewed the metrics report and pointed out a few points of interest. He noted that expenditures are currently at \$125M. The schedule doesn't reflect any WTP schedule updates that may be forthcoming. The construction contingency balance is holding at \$7.2M and started at \$8.4M. Previously, there was a placeholder for \$600,000 for extra pipe to go around the lake but the actual estimate was \$290,000 higher, resulting in an increase to sponsor contingency. He noted two changes to the risk register: 1) move WTP delay to the top of the list and 2) removing HDD activity.

#### Section 5.5 – Design Firm Services during Construction

**Mr. Prock** reported there would be an amendment forthcoming for Brown and Caldwell for cultural mitigation services work. He noted this would not be an increase but a reallocation of funds. Approximately \$1.0 to \$1.25 M will be spent on additional construction management personnel through the end of construction. This is already budgeted and does not increase the contract ceiling. He anticipates these will be before the Lake Oswego City Council for approval in January.

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**Mr. Prock** reported that Black and Veatch has requested additional funds for construction management services related to RIPS. An amendment for \$113K is forthcoming and is included in the Program total. He noted that Black and Veatch will also be requesting funds for additional services. **Councilor Snider** asked what was driving that request. **Mr. Prock** explained that Black and Veatch didn't anticipate the level of involvement required during construction. **Mr. Komarek** stated that he and Dennis Koellermeier met with the Regional Manager and the Project Manager to discuss the issues. **Councilor Buehner** asked what amount Black and Veatch would be requesting. **Mr. Prock** estimated \$100,000 - \$150,000, which is not currently in the program total.

Regarding the Waluga Reservoir Design contract, also with Black and Veatch, **Mr. Prock** reported that an amendment for \$166,000 for additional construction management services would be going before the Lake Oswego City Council possibly in January.

**Mr. Prock** reported that Black and Veatch would be requesting another \$150,000 for additional construction management services related to the Bonita Pump Station. About half of the \$150,000 is in the budget, the other half would be an increase in budget. The amendment is anticipated to go before the Lake Oswego City Council in January.

**Mr. Prock** reviewed that the last MWH amendment for water treatment plant design went before the Lake Oswego Council in June was for six months. He reported that MWH will be requesting another \$500,000 to cover services for January – June 2015 which is within program budget. **Mr. Prock** went on to explain that additional work performed by MWH due to the construction delays is not within the current budget. **Councilor Snider** contended that Slayden should be held accountable for the expense of additional design work and staff time due to construction schedule delay. **Mr. Komarek** responded that is the intent of liquidated damages. **Councilor Snider** asked that it be made very clear to Slayden that the elected officials involved intend to hold Slayden accountable.

## 6. COMMUNICATIONS

**Ms. Fulton** introduced Jordan Imlah, new Citizen Information Coordinator. She then noted the following communications activities:

- Successful pullback party.
- Only three of eight households near the West Linn HDD site accepted the relocation package offered during pullback. No complaints were received during pullback.
- Highway 43 construction is underway and the communications team has canvassed and reached out to all businesses in West Linn along the Highway 43 construction area. The Shop Local program is being implemented and includes signs, coupons, shopping bags and advertising in the West Linn Tidings. Several informational flyers have been distributed to businesses as well as a letter from both Mayors.
- There was also a press release regarding the start of construction on Highway 43 which was picked up by a couple of newspapers.
- Since construction started there have been some calls / complaints of traffic issues related to day time saw-cutting of asphalt and night time side street use by construction crews.
- The first cultural resources exhibit meeting was held. There are two more scheduled for January and February. There was an article in the LO Review regarding the archeological excavation work done in Lake Oswego.

- A business survey was sent out to B Avenue businesses to gauge how they feel the storm system construction went August through October. Katy and Joel attended a recent Business Alliance meeting and received positive feedback on the communications effort was during that construction. This information will be used to plan for major water pipeline construction on B Avenue after the first of the year.
- Night construction will begin in Tigard in December. Jordan is working with Tigard representatives to develop a schedule 6 pipeline outreach plan including outreach to businesses and apartment complexes in the area that will be impacted by night work.
- There will be a couple of articles in the Tigard *Know H2O* publication in December.

**7. RECOGNITION OF SERVICE – Gretchen Buehner**

**Councilor Buehner** was presented with a rendering of the water treatment plant and a bouquet of flowers and thanked ~~her~~ for her many years of service to the Partnership and Oversight Committee.

**8. FUTURE AGENDA ITEMS**

8.1 – WTP Schedule update: Meet in December if necessary.

8.2 – OVC Membership change: Tigard to appoint a new committee member to replace Councilor Buehner

8.3 – Chair will be reassigned to a Lake Oswego committee member in January or February 2015.

**9. NEXT MEETING DATE**

Monday, January 12, 2014, 5:30 p.m. at the West End Building, unless it is determined a December meeting is necessary.

**10. ADJOURN**

**Councilor Snider** adjourned the meeting at 7: 00 p.m.

Respectfully Submitted,  
Susie Shinn, Administrative Assistant

Attachments:

Approved by the Oversight Committee:

On \_\_\_\_\_