



**Lake Oswego Tigard Water Partnership
Summary of Oversight Committee Meeting
May 18, 2017**

Present:

City of Lake Oswego: **Oversight Committee:** Mayor Studebaker, Councilor Manz
Staff: Joel Komarek, Kari Duncan, Scott Lazenby, Katy Kerklaan, Susie Anderson

City of Tigard: **Oversight Committee:** Mayor Cook, Councilor Snider
Staff: John Goodrich

Consultants: Jon Holland, Brown and Caldwell

1. CALL TO ORDER/ROLL CALL

Chair Councilor Manz called the meeting of the Lake Oswego Tigard Water Partnership Oversight Committee to order at 5:36 on Thursday May 18, 2017 at the Lake Oswego Main Fire Station, 300 B Avenue, Lake Oswego, Oregon 97034.

2. APPROVAL OF MINUTES

Mayor Studebaker moved to approve the minutes from the March 16, 2017 meeting. **Councilor Snider** seconded the motion. The motion passed unanimously.

3. PUBLIC COMMENT

There were no public comments.

4. OLD BUSINESS

4.1 - Water rights extension remand

Mr. Komarek reported there had not been any new developments with the water rights remand and referenced an email he sent to the committee which stated they are still working through the process of scheduling a hearing to bring back particular witnesses whose prior testimony was inaudible on the transcript and have them re-testify. **Mayor Studebaker** asked what the timeline was. **Mr. Komarek** responded they are trying to schedule the hearing in July. The transcript will be reconstructed and reviewed by all parties to ensure it's complete. Then the Administrative Law Judge will review it and render a decision. **Mr. Komarek** speculated there could be a decision by the end of the year. **Mayor Cook** recalled getting an extension to pump water from the river. **Mr. Komarek** stated a Limited License was secured for five years to be used under the circumstance of being foreclosed from pumping more than the certificated right.

5. NEW BUSINESS

5.1 Metrics Report

Mr. Holland stated this would be the last metrics report presented to the Committee in person. He referenced the schedule and noted Waluga Reservoir 1 was placed in service the previous week after installing the new roof. **Mr. Holland** deferred to Ms. Duncan to report on activities at the Water Treatment Plant. **Ms. Duncan** reported performance testing of the ozone was underway and is operating during the hours the plant is open. There were some brief periods when the ozone wasn't operating but it's operating as it will following testing. **Mayor Studebaker** asked if ozonated water was being delivered to customers. Ms. Duncan stated ozone had been operating for four days and it takes a while for it to be distributed throughout the system but customers are receiving ozonated water. **Councilor Manz** asked when testing would be complete and ozone would be fully online. **Ms. Duncan** replied during testing there may be times when the system needs to be shut down and if all goes well the plants operation staff would take over responsibility of the ozone and have it online by the end of the following week.

Mr. Komarek reported landscaping activities were delayed due to the extremely wet weather. Landscape completion is now targeted for July 15. **Mayor Studebaker** asked if that would be when the green construction fence would come down. **Ms. Kerklaan** explained during the last neighborhood meeting one of the main complaints was the poor appearance of the construction fencing and inquiries as to when the fence would be taken down. In response, the green fabric was taken down but the construction fence will remain until all work on site is complete.

Mr. Holland referred to the financial snapshot and noted \$245.6 million had been spent to date with \$4.76 million remaining for contract expenditures. Remaining Sponsor costs and potential changes is estimated at \$920,000 and contingency remains at \$2.65 million. The total program estimate at completion is currently \$253.94 million but anticipated that would drop. He suggested announcing the final total program budget at the project celebration event being planned for later during the summer. **Mayor Studebaker** noted \$200K potential changes for Slayden and asked if there were any possibility of claims filed by Slayden. **Mr. Komarek** responded there was a settlement reached between Slayden and the City in 2015 that would prohibit any claims. He added the \$200k was the construction manager's best estimate of upcoming or potential changes and explained there had been modifications to previous work installed at the water plant entrances and West Linn is requiring additional modifications to the entrances on Mapleton. It's out of scope or re-work. **Mayor Cook** asked what type of driveway improvements West Linn requested and why. **Mr. Komarek** replied they were built to the standard required by one West Linn public works staff member months ago and now different staff members are requiring the driveway be built to different specifications. **Mr. Komarek** added he had put West Linn on notice to expect an invoice for the work.

Mr. Holland directed attention to the Risk Register in the Metrics Report and noted only two low risk items remain: damage to residences, which is very unlikely since the remaining work is paving and landscaping, and theft or vandalism at the construction site. **Councilor Snider** clarified that the risk of property damage isn't the Partnership's risk because claims would fall on the Contractor and asked if the Contractor has had to pay any claims. **Mr. Komarek** replied there had been some settlements made between the Contractor and neighbors. He added there are two outstanding claims. One from a plant neighbor who had a pre-construction survey done and is claiming damage that was already there during

the pre-construction survey. The other claim is for a Mapleton property near the pipeline contractor's staging area. The pipeline contractor is trying to pull the plant contractor and sub-contractors in on the claim but the plant contractor wasn't using Mapleton during pipeline construction. **Councilor Snider** asked if the claims are filed against the Partnership and the contractor at the same time. **Mr. Komarek** explained the claim is submitted to the City's insurance and if it appears to be construction related it is tendered to the Contractor. **Councilor Snider** asked if there was a sense of how much had been paid out overall for claims. **Mr. Komarek** stated the Contractor doesn't share the details of the claims with the Partnership so it's difficult to say but likely less than \$100k total.

5.2 Post Construction Activities Status Report

Mr. Komarek pointed out the table in the meeting packet which outlined the different tasks requiring action following construction and the status of each. He continued that he spoke with the City Attorney earlier that day regarding the transfer of interest in property and easements to Tigard and reported all major work effort is done and just days away from having something to provide to Tigard's City Attorney for review. Once the plant and O&M manuals are done, that would complete task 3, create asset inventory and schedule for R&R. He noted tasks 4, 5, and 6 relating to estimated water usage and operations and maintenance expense rate and explained he had been working with Ms. Duncan and Mr. Goodrich on those tasks and going forward they would be responsible for those tasks each year.

5.3 Lake Oswego-Tigard Job Sharing Proposal

Ms. Duncan referenced the memo in the meeting packet. She explained that she and Mr. Goodrich had been discussing the idea for some time about ways to create some economy of scale and the benefit to the two cities to share employees. Specifically those employees who conduct water quality sampling, regulatory reporting, and water conservation. Tigard has a staff person who provides water quality and conservation duties. Lake Oswego has a full time water conservation specialist and one of the plant operators spends about half their time doing water quality sampling. She continued that she and Mr. Goodrich propose the Water Conservation Specialist from Lake Oswego also work in Tigard providing water audits. The Tigard water quality staff member would also work in Lake Oswego at the plant and distribution system. Combining those duties would free up some time for operations and maintenance at the plant. **Councilor Snider** asked if it would prevent needing to add another staff member eventually. **Ms. Duncan** replied it would take care of the immediate need to reallocate staff to the increased operations and maintenance work. **Councilor Snider** asked for clarification, should the Committee reject the proposal, would it be necessary to add an FTE. **Ms. Duncan** stated she would need to seek assistance for maintenance duties at the plant. **Councilor Snider** stated he didn't see how the proposal would save anything. **Mr. Goodrich** stated as the two cities have been learning about the others operations, they found both cities had a staff member performing water quality duties. He continued as the plant grows there could be opportunity to develop in house testing facility. Each city has a Water Management and Conservation Plan so having conservation under one person for the two cities would allow synergy to ensure both cities are offering the same services moving forward. There are intangible benefits, as well. The two positions are equal in salary, they require little supervision and are optimum performers. They are program coordinators so they are focused on the duties and tasks of a specific program and have an expertise. He stated he and Ms. Duncan have been reviewing a draft agreement prepared by the Tigard City Attorney's office. It will likely be an Intergovernmental Agreement. **Mayor Cook** asked if the arrangement would make it easier for the employees since they will be focused on one duty. **Mr. Goodrich** replied he and Ms. Duncan had conversations with the two staff members and both felt the arrangement would be a positive change. Each staff member would

split their time 50/50 between the two cities and each city would provide a vehicle. The agreement would be for five years but may be terminated with 30 days' notice. **Councilor Manz** asked if staff thought this would improve communication and information sharing between the two cities. **Ms. Duncan** responded on a staff level it would greatly improve communication and information sharing. For example, if there were a curtailment event both cities would receive the same consistent messaging. **Mayor Cook** asked if they anticipated needing to add another employee in the future and if so which function would need additional help first. **Ms. Duncan** referenced Mr. Goodrich's comment regarding possibly conducting some in house testing in the future that could require an expansion of duties beyond current staffing. She continued there would likely be a more urgent need for operations staff if the plant were to run 24x7 year round in the future. **Councilor Snider** stated his interpretation of the memo was staff would be reduced from three to two. **Ms. Duncan** responded it would be two and a half to two and noted two employees perform the same duties. Transferring the duty of collecting samples from one of the operators to the Tigard water quality employee would free up the operator to fully focus on operations and maintenance at the plant. **Mr. Goodrich** stated the next step would be to present the IGA to the respective Councils for their approval. **Councilor Manz** asked when the agreement would go into effect. **Mr. Goodrich** said ideally, it would begin July 1.

5.4 Project completion event. Purpose. Timing. Invitees. Messaging. Logistics.

Ms. Kerklaan reviewed discussion from the previous meeting regarding a pathway ribbon-cutting event for neighbors and a project completion celebration event for elected officials and the project team. The pathway ribbon-cutting event would be held in the public space near the pathway and be open to the public and the project completion event would be inside the plant and invite only. She explained weather caused delay with landscaping installation so the events have been pushed from June/early July to August. She stated the pathway ribbon-cutting event for the neighbors would be held Saturday, August 5th. She continued it will be an informal event open to the public and invitees will be encouraged to bring their kids and bicycles and dogs. There will be activities for the kids and a food truck serving food compliments of the Partnership. She added it would be a good opportunity for Ms. Duncan and her staff to mingle with the neighbors as there are several new neighbors since construction began. She stated her preference to have at least one Oversight Committee member from each city at the event. The larger event will be held mid-week in the late afternoon to evening. It will be held inside the plant with cocktail style tables, catered refreshments, a few speeches, a photo booth, and a videographer will be there interviewing everyone who's been involved in or worked on the project. Scheduled tours will also be held. She queried the committee for their preference of when to hold the event, September, or August. **Councilor Manz** noted August may be difficult because Lake Oswego Council is on recess and voiced her preference for September. **Councilor Snider** asked why staff's initial preference had been for August or July. **Ms. Kerklaan** replied originally that was the preference because waiting a while after project completion might feel like lost momentum. She added landscaping is behind schedule so later may be okay. Following discussion of possible dates committee members would be available for the event, **Ms. Kerklaan** stated she would find a mutually agreeable date for the event.

5.5 Operations Committee: Staff transitions. Meeting frequency. OVC status report frequency. Report content and format.

Mr. Komarek referenced the memo in the meeting packet and explained once the transition from construction to operations takes place, according to the IGA, an Operations Committee is to be formed and include at least one technically knowledgeable person from each city or the Oversight Committee

could appoint the current Technical Committee to the Operations Committee. The current technical committee is comprised of himself, Dennis Koellermeier, Kari Duncan and Rob Murchison. Rob hasn't been around for some time, Dennis has retired, and he himself has moved on to different projects and doesn't have the technical knowledge for running the plant. He opined the logical appointments for the Operations Committee would be Kari Duncan, John Goodrich, Kevin Batridge (Assistant Plant Manager), and Aaron Beattie (Tigard Public Works) would become Operations Committee members and the staff that would conduct Oversight Committee meetings going forward. He asked the group with the transition, how often they would like to meet. He reminded the group a few months ago when asked the question the committee wanted to continue to meeting every other month through construction. He added the IGA states the Operating Committee reports to the Oversight Committee not less than quarterly and asked what they would like to receive from the Operations Committee in terms of reports, how frequently, content, and format. **Ms. Duncan** stated they could provide budget updates, water usage statistics, water quality updates, and review records of customer complaints and comments. She said asset management status, maintenance, and upcoming projects could also be reported. **Mr. Goodrich** stated the type of information would likely be similar to what he provides to the Intergovernmental Water Board. **Mayor Studebaker** suggested quarterly meetings would be sufficient. The group agreed.

Councilor Manz asked who would track or follow legislative issues in Salem that could impact the cities. Ms. Duncan replied that she and Mr. Goodrich receive information from the Oregon Water Utility Council (OWUC) and League of Oregon Cities. OWUC tracks legislation relevant to water operations in Oregon. **Councilor Snider** asked if OWUC follow Federal issues as well. **Ms. Duncan** replied occasionally they follow national issues but there is also a National Water Utility Council that is part of American Water Works Association which reports on federal issues. **Councilor Manz** stated it would be good to hear about any regulatory issues that would directly impact the partnership's operations. **Mayor Cook** stated the League of Oregon Cities provides good information on legislative issues also. He added that he is a lobbyist in Salem and has a staff person who researches the bills and provides information to Mayor Cook in preparation for lobbying on certain issues. On a national level he sits on the US Conference of Mayors Water Commission and attends 2 or 3 meetings a year. They help write and propose Bills to go before Congress. He added he would like to have the next conference in November in the Portland area or at least speak at the conference to showcase the project. **Councilor Manz** offered support from Lake Oswego should the conference be held in Portland.

Councilor Manz asked if staff needed any more direction on what the committee would like to hear at future meetings. **Mayor Cook** clarified there would be one more bi-monthly meeting in July then would go to a quarterly schedule. **Mr. Komarek** asked if they would like to start on typical quarters. **Mayor Cook** suggested meeting the month after a typical quarter so financials are available from the previous quarter. He also suggested meeting in August before the celebration event to review the financials and develop a message to communicate at the event. After reviewing schedules and the calendar **Ms. Kerklaan** suggested holding the celebration event August 31. The group concurred.

5.6 Governance and operating agreement: Discussion. Next Steps.

Mr. Komarek stated some of the committee members would be attending the next South Fork Water Board meeting May 24. He confirmed that Mayor Studebaker, Councilor Manz and Councilor Kohlhoff would be attending from Lake Oswego and Tigard's entire Council except Councilor Woodard. Agenda items include budget and updating methodology for SDCs related to their water plant facility master plan.

6. Future agenda items

Councilor Manz reviewed future agenda items.

- 6.1 – Water rights extension remand
- 6.2 – Governance and operating agreement
- 6.3 – Operations plan

7. Next meeting date - August 10, 2017, at 5:30 pm at the Tigard Public Library, 13500 SW Hall Blvd., Tigard 97223. Going forward meetings will be held quarterly.

8. Adjournment

Councilor Manz adjourned the meeting at 6:40 pm.

Respectfully Submitted,



Susie Anderson
Administrative Assistant

Approved by the Oversight Committee:

August 10, 2017